

CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

TWENTY-THIRD PARLIAMENT

6 ELIZABETH II

ON THE FOURTEENTH DAY OF OCTOBER, 1957, HER MAJESTY THE QUEEN DELIVERED THE SPEECH FROM THE THRONE OPENING THE TWENTY-THIRD PARLIAMENT, WHICH WAS DISSOLVED ON THE FIRST DAY OF FEBRUARY, 1958.

VOLUME I, 1957-58

COMPRISING THE PERIOD FROM THE FOURTEENTH DAY OF OCTOBER, 1957, TO THE TWELFTH DAY OF NOVEMBER, 1957, INCLUSIVE

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HOUSE OF COMMONS

DEBATES

OFFICIAL REPORT

TWENTY-THIRD PARLIAMENT

1 ELIZABETH II

VOLUME I 1951-52

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House of Commons Debates

OFFICIAL REPORT

Speaker: The Honourable Roland Michener

FIRST SESSION—TWENTY-THIRD PARLIAMENT

The twenty-second parliament having been prorogued on the twelfth day of April, 1957, and dissolved by proclamation on the same day, and writs having been issued and returned, a new parliament was summoned to meet for the dispatch of business on Monday, October 14, 1957, and did accordingly meet on that day.

Monday, October 14, 1957

This being the day on which parliament is convoked by proclamation of His Excellency the Governor General for the dispatch of business, and the members of the house being assembled:

Léon J. Raymond, Esquire, O.B.E., the Clerk of the House, read to the house a letter from the secretary to the Governor General informing him that the Honourable Patrick Kerwin, Chief Justice of Canada, in his capacity as Deputy Governor General, would proceed to the Senate chamber to open the first session of the twenty-third parliament of Canada on Monday, the fourteenth of October, at eleven o'clock.

A message was delivered by Major C. R. Lamoureux, Gentleman Usher of the Black Rod, as follows:

Members of the House of Commons:
It is the desire of the Honourable the Deputy of His Excellency the Governor General that this honourable house attend him immediately in the chamber of the honourable the Senate.

Accordingly, the house went up to the Senate chamber, when the Speaker of the Senate said:

Honourable Members of the Senate,
and Members of the House of Commons:
I have it in command to let you know that Her Majesty the Queen does not see fit to declare the causes of her summoning the present parliament of Canada until the Speaker of the House of Commons shall have been chosen according to law, but this afternoon, at the hour of three o'clock, Her Majesty will declare the causes of calling this parliament.

And the house being returned to the Commons chamber:

ELECTION OF SPEAKER

MR. ROLAND MICHENER, MEMBER FOR THE ELECTORAL DISTRICT OF ST. PAUL'S

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Raymond, what is uppermost in the minds of us all today is the opening of the twenty-third parliament by Her Majesty Queen Elizabeth II. It is a great and joyous occasion, a shining moment of rededication to all the traditions and a living exemplification of our history. I do not rise on this occasion to memorialize this historic event, but only to make possible the participation of this house in that event. I know how eager we are to hear from Her Majesty, but having not as yet elected a Speaker we have no voice to speak on our behalf or no means of communication with Her Majesty. Indeed, according to law, the House of Commons is not constituted nor has it any status until that has been achieved. The representative of the crown has reminded us that Her Majesty the Queen does not see fit to disclose to us the reasons that have caused her to bring us together until we have selected a Speaker.

All this is in the tradition of parliament, for at this moment, and on this what I choose to call the Queen's day, the members of the Commons and of the Senate as well will walk with history. There is no need for me to tell you that the highest position that can be conferred on anyone, that of the first commoner, will be in the custody and keeping of that person who is chosen as Speaker. He is the link with the crown and in olden days, as the records show, the function was an arduous one, requiring great courage on the part of those chosen.

Election of Speaker

Those were the days when the Commons faced the overwhelming sovereignty of the monarch. Because of the fact that the Commons never did sit with the crown and the Lords, the practice was, and it goes back to the fourteenth century, of having a spokesman speak on behalf of the Commons. As an example, almost 400 years ago, in 1562, Speaker Williams, during the reign of Elizabeth I, spoke on behalf of the rights of the commoners. He asked for the right of free access to the Queen. He asked for the right to interpret the wishes of the members of the House of Commons. He asked for the historic and prerogative rights of the Commons in these words:

> That the assembly of the lower house may have frank and free liberties to speak their minds without any controlment, blame, grudge, menaces or displeasure, according to the old ancient order.

Finally Speaker Williams said:

> ...the old privilege of the house be observed, which is that they and theirs might be at liberty, frank and free, without arrest, molestation, trouble or other damage to their bodies, lands, goods or servants, with all other their liberties, during the time of the said parliament, whereby they may the better attend and do their duty; all which privileges I desire may be enrolled, as at other times it hath been accustomed.

That was under Elizabeth I. Today parliament is supreme, and the throne, while losing its apparent powers and authority, has gained in dignity and significance and in the hearts of the people, and this function is no longer one of concern.

Oliver Goldsmith, exemplifying what parliament stood for and the right of the rule of law in parliament, said:

> The Englishman is taught to love the King as his friend, but to acknowledge no other master than the laws which he himself has contributed to enact.

What are the functions of the Speaker? I am not going to review what has been said in the past by my predecessors in office. Summarizing the position of the Speaker, it is this: to preside over the House of Commons, to be the jealous guardian of its prerogatives and rights, without which its prestige would suffer and ultimately freedom would be endangered. The Speaker must be impartial. He must know the rules of procedure. He should have parliamentary experience for that reason. He must exercise his office with scrupulous and rigorous impartiality. He must be firm and yet patient and incisive, courteous and ever vigilant to guard the rights and privileges of the individual member.

My predecessor in office, the right hon. Leader of the Opposition (Mr. St. Laurent), spoke of this on the last occasion a Speaker was chosen. Other prime ministers have done the same. What are the qualifications of a Speaker? Well, as one reads the ancient records one finds that they embody those qualities that make a Speaker almost above ordinary humanity. Lord Palmerston asked the editor of the London *Times*, "What do you require in a Speaker?" This was the reply:

> Imperturbability, good temper, tact, urbanity and, if possible, a training in the law.

Mr. Raymond, in my opinion, such a man is among us in the person of Roland Michener. He was born in Alberta, where his father took part in public life, and afterwards, for many years, was a distinguished member of the Senate. Mr. Michener was a brilliant student and was awarded a Rhodes scholarship from Alberta; a queen's counsel and a member of the Middle Temple as well as the bar of Ontario, and with wide experience in government and public service as a private member of this house and as provincial secretary in Ontario; and, above everything else, whose friendships are not circumscribed by party limitations.

It may be appropriate at this time—it has been mentioned on several occasions—when we have the Queen amongst us and when our thoughts are on our traditions and history, to point out that there is a difference between our system of the choice of Speaker and that in the United Kingdom in the mother of parliaments. There it has been the custom to keep the same Speaker as long as he retains his seat in the house. The opinion has been expressed that we should have a permanent Speaker, but up to the present time the practice of Canada has not been to do so. Our practice, as constituted, is governed by the character and historic basis of our country. Under it, with few exceptions, the Speaker in one parliament is of French origin, followed in the next parliament by one of English origin. Whatever our personal views may be as to having a permanent Speaker, only parliament can make that decision and then only when there is generous unanimity in that regard.

Mr. Michener speaks French fluently. I hope he will receive the approval of the house as being a fit and proper person to be Speaker of the twenty-third parliament. Mr. Raymond, I therefore move, seconded by the Leader of the Opposition (Mr. St. Laurent):

> That Roland Michener, Esquire, member for the electoral district of St. Paul's, do take the chair of this house as Speaker.

Right Hon. L. S. St. Laurent (Leader of the Opposition): Mr. Raymond, when the Prime Minister approached me to inquire if I would like to second his motion for the appointment of Mr. Michener as Speaker, I readily agreed to do so. I have been a member of the House of Commons since 1942, and in all the time I have been here we

have had Speakers who have worthily upheld the finest traditions of our British parliamentary system.

In the years since Mr. Michener was first elected to this house he has been, as those of us who were here then were able to observe, diligent in his attendance and scrupulous in his observance of the rules of the house and all its ancient usages. His background, which has been referred to in such fitting terms by the Prime Minister, his record as a member, and what we know of him as a man will, I feel, all commend themselves to us as good auguries for the future.

In the confident expectation—and I stress those words—that the house will be well served by Mr. Michener as its Speaker and that he will preside over us competently and with dignity and impartiality, I am happy to second the Prime Minister's motion.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Raymond, as is customary at this time I join with the Prime Minister (Mr. Diefenbaker) and the Leader of the Opposition (Mr. St. Laurent) in supporting the nomination of a new Speaker for this parliament. The Prime Minister expressed to the house and indeed to the country what are the functions of the Speaker in this parliament and in the parliaments like it throughout the commonwealth. I noted that he stated that one of the functions of the Speaker was to see that every individual member was properly protected and properly treated in this house.

May I say that I regard one of the principal functions of the Speaker to be not only to protect the individual rights of each member of this house, but to protect groups who may be in minority positions. As a matter of fact, throughout the long period of British history when, as has been indicated, the Speaker occupied a position not only of some responsibility but of some danger, that function on occasion has been the primary function of the Speaker of the day.

I am reminded, as I often am, of one of the greatest Speakers of the British parliament, namely Mr. Speaker Lenthall. I recall again today, as I have done on former occasions, that when Charles I came to the House of Commons in 1642 and demanded that he have the right to arrest five members who had displeased him, it was Lenthall who turned to the king and said:

> I have neither eyes to see, nor tongue to speak, in this place but as the house is pleased to direct me, whose servant I am here.

Thus the Speaker established his position as the protector of the rights of a small minority. In this chamber today there is a house much different from any in which I have had the privilege of sitting, for this is my sixth parliament since 1935. There are not majorities in this house; there are a number of minorities.

Consequently the Speaker will have a particular function to fulfil, and I believe that in Mr. Michener we shall have a Speaker who will try to carry out his responsibilities impartially and give the minorities in this house, whether large or small, the proper consideration and protection they deserve.

The Prime Minister said the Speaker would occupy the chair. The Speaker of the House of Commons is, of course, no mere chairman elected for the supervision of debates. He is the champion of the legislature, against whom? Against the executive. I would remind the government—the executive—of that important function of the Speaker, to protect the house against the executive. The Speaker is custodian of the rights and the privileges that have been handed down to us through a very long period of history and of struggle. Indeed, as the first commoner he is a principal part of the very constitution under which we live and in a very peculiar way which we are recognizing today when Her Majesty the Queen opens this parliament.

So I rise to join with the Prime Minister and the Leader of the Opposition in supporting the election of Mr. Michener as Speaker of this parliament, and to assure him that we shall give him all the co-operation we can. I believe and I pray that his period as Speaker may be a very distinguished one and that he may function according to the historic precedents which have been so well laid down from time to time in the mother of parliaments as well as this younger institution of our own.

Mr. Solon E. Low (Peace River): Mr. Raymond, I rise at this time to indicate to you and to the hon. members of this house that the Social Credit party feel that Mr. Roland Michener is a fit and proper person to assume the office of Speaker and the position of first commoner. We have confidence in Mr. Michener that has been born of our close association with him for some years.

When the Prime Minister outlined to the house the background of Mr. Michener's experience which fitted him to assume this very high and important office, he told the house that Mr. Michener was born in Alberta. We think that was the most important thing which fitted him to be the first commoner and the Speaker of the House of Commons.

We realize that the new Speaker, when he is elected, will have a more difficult time, perhaps, than other Speakers have had for some years because of the very fact, as

pointed out by the leader of the C.C.F. party (Mr. Coldwell), that this house is now a house of minorities. By force of circumstance one of the minorities now sits at the Speaker's right, and we realize that it will be difficult for him to see the members of this group, occasionally perhaps mistaking them for members of the government. But we draw attention, Mr. Raymond, to the fact that it would be desirable for the Speaker, when he is elected, to get an extra long-range lens in the right side of his glasses so he can see the members of this group when they rise and recognize that they do have a right to speak.

Mr. Raymond, in all seriousness we do feel that in Mr. Michener a good choice has been made—one which will uphold the great traditions that have been built around the Speakers of the British parliaments and we wish for him a period of happy and fruitful presidency over this chamber. We will, to a man, give him the best support of which we are capable, always remembering that the rules are here to be obeyed and we shall obey them.

The Clerk of the House declared the motion carried in the affirmative, *nemine contradicente,* and Roland Michener, Esquire, member for the electoral district of St. Paul's, duly elected to the chair of the house.

Mr. Michener was conducted from his seat in the house to the Speaker's chair by Right Hon. J. G. Diefenbaker and Right Hon. L. S. St. Laurent.

Mr. Speaker: Hon. members of the House of Commons, in the time-honoured formula, I beg to return my humble acknowledgments to the House of Commons for the great honour you have been pleased to confer upon me in electing me unanimously as your Speaker.

Being conscious of the responsibilities of that office and of my own inexperience, I am doubly grateful for the gracious and encouraging words in which my nomination has been proposed by the right hon. Prime Minister and the right hon. Leader of the Opposition, and supported by the leaders of the C.C.F. and Social Credit groups.

My aim will be to understand and interpret the will and the moods of the house; to secure the transaction of public business in an orderly manner; to protect the minority; to enable every member to express his opinions within the limits necessary to preserve decorum; to prevent unnecessary waste of time, and above all to be non-partisan and impartial in my decisions. If my service to this house is to contribute to the projection of its great traditions, it will come about only because of the sympathetic support, advice and co-operation of every member.

We all expect the cross-fire, the vigorous cross-fire of debate. My only request is that you give me time to try my wings before you start shooting in this direction.

(*Translation*):

May I say to my French-speaking colleagues how I wish I could answer them in their own beautiful tongue every time they rise to address me. However, in spite of all my willingness—of which I should like to assure them at this time—it may be that, during the first few months of my probation period in the chair, I will have to use the language I understand best.

I do toil and take pains, but alas, I am poorest in my basic knowledge of your tongue.

Nevertheless let me assure you that I love your tongue and respect the equal status of the two official languages.

Once again I thank the members of the house for the great honour they have been pleased to confer upon me.

(*Text*):

SITTING SUSPENDED

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, might I suggest that the sitting be suspended until three o'clock this day.

At 11.50 a.m. the sitting was suspended until 3 p.m. this day.

SITTING RESUMED

The house resumed at three o'clock.

OPENING OF THE SESSION

Mr. Speaker read a communication from the Governor General's secretary announcing that Her Majesty the Queen would proceed to the Senate chamber at three o'clock on this day, for the purpose of formally opening the session of the dominion parliament.

A message was delivered by Major C. R. Lamoureux, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker:
It is the pleasure of Her Majesty the Queen that this honourable house attend her immediately in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

Then the Hon. Roland Michener, Speaker of the House of Commons, said:

May it please Your Majesty:
The House of Commons have elected me their Speaker, though I am but little able to fulfil the important duties thus assigned to me.

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

The Honourable the Speaker of the Senate, addressing the Honourable the Speaker of the House of Commons, then said:

Mr. Speaker, I am commanded by Her Majesty the Queen to declare to you that she freely confides in the duty and attachment of the House of Commons to Her Majesty's person and government, and not doubting that their proceedings will be conducted with wisdom, temper and prudence, she grants and upon all occasions will recognize and allow their constitutional privileges.

I am commanded also to assure you that the Commons shall have ready access to Her Majesty upon all seasonable occasions, and that their proceedings, as well as your words and actions, will constantly receive from her the most favourable construction.

Then Her Majesty the Queen was pleased to open parliament by a speech from the throne.

And the house being returned to the Commons chamber:

Mr. Speaker: I have the honour to report that, the house having attended on Her Majesty the Queen in the Senate chamber, I informed Her Majesty that the choice of Speaker had fallen upon me, and, in your names and on your behalf, I made the usual claim for your privileges, which Her Majesty was pleased to confirm to you.

OATHS OF OFFICE

Right Hon. J. G. Diefenbaker (Prime Minister) moved for leave to introduce Bill No. 1, respecting the administration of oaths of office.

Motion agreed to and bill read the first time.

SPEECH FROM THE THRONE

Mr. Speaker: I have the honour to inform the house that, when this house did attend Her Majesty the Queen this day in the Senate chamber, Her Majesty was pleased to make a speech to both houses of parliament. To prevent mistakes I have obtained a copy, which is as follows:

Honourable Members of the Senate:

Members of the House of Commons:

I greet you as your Queen. Together we constitute the parliament of Canada. For the first time the representatives of the people of Canada and their sovereign are here assembled on the occasion of the opening of parliament. This is for all of us a moment to remember.

Parliamentary government has been fashioned by the wisdom of many centuries. Its justice, authority and dignity are cherished by men of good will. It will be the high purpose of my ministers not only to preserve these qualities but to take steps to make both houses of this parliament more effective in the discharge of their responsibilities to the people of Canada.

You have come here to form this new parliament from across a great land, a land far wider than either of those older countries that first gave it birth. I am proud to contemplate the great heritage of this nation—the minerals, the forests, the lands, the waters, the sources of power and energy which fire your ever-growing industries. But I am more proud to contemplate the spirit and ideas which brought this country to nationhood, and now, drawing reinforcement and enrichment from many lands and peoples, have given Canada a national character peculiarly her own.

Yet in this age no nation can live unto itself. Through the overcast of international affairs the bright constellation of the commonwealth illumines our times. The continuing admission of nations newly guided to self-government both broadens and strengthens our diverse commonwealth as more of us come to share the great inheritance of those institutions and ideals which make our association a quiet but pervasive force for good in an unquiet world. This was manifest when the prime ministers of the commonwealth met in London last June to talk of great affairs; and again, only a few days ago when on Canada's invitation, the finance ministers met at Mont Tremblant and in a comradely spirit laid plans for a commonwealth trade and economic conference to take place next year.

A similar spirit has been evident in the Colombo plan, which is a part of the high venture of the peoples of south and southeast Asia as they move along the path of national development, and which my government will continue to support.

My ministers believe that Canada's active participation in the North Atlantic Treaty Organization is essential for the preservation of peace. You will accordingly be asked to maintain modern defence forces in being which, together with those of our allies, will continue to act as a deterrent to attack upon any part of that alliance.

While Canada plays a full part in these particular associations, my ministers remain convinced that in the wider forum of the United Nations we must also continue to seek such agreements as will preserve security and bring about a wide measure of disarmament. Indeed we must continue to hope that through the United Nations the aspirations of men and women for peace and security will be fulfilled.

In domestic affairs my ministers look forward to meeting next month with the leaders of the provincial governments in order to discuss fiscal relations and to seek better understanding and arrangement of many aspects of our public finances.

In the legislative program to be laid before you, it is fitting that mention should first be made of measures to improve the lot of the senior members of our society. Accordingly you will be asked to increase old age security pensions and to shorten the period of residence required to qualify for them. Changes will be proposed in the terms of assistance offered to provincial governments to enable them to increase the payments to be made under the Old Age Assistance Act, the Blind Persons Act and the Disabled Persons Act to a corresponding level.

You will also be asked to increase the scale of war veterans allowances and to enlarge the groups to whom they are paid. Changes will also be proposed in several sections of the Pension Act.

In order to assure to the farmers of Canada a fair share of the national income, you will be asked to enact a measure to provide greater stability in the prices of their products. Every possible effort is now being made, and will continue

to be made to seek new markets for agricultural products as well as to regain those that have been lost.

Due to inability to market their grain, prairie farmers have for some time been faced with a serious shortage of funds to meet their immediate needs. In order to permit them to receive an advance payment for the grain they can expect to deliver this year you will be asked to authorize a system of cash advances for grain stored on farms.

My government will strive to secure additional markets for the products of our fisheries and to promote the development of international rules to safeguard the living resources of the sea.

My ministers believe that a national development policy carried out in co-operation with the provinces, and in the territories, is needed to enable all regions of Canada to share in the benefits to be realized in developing the resources of this great nation. It is their intention to propose to you from time to time programs and projects to implement this policy.

As an immediate start upon a program of more extensive development in the Atlantic provinces, you will be asked to authorize, in joint action with the provincial governments, the creation of facilities for the production and transmission of cheaper electric power in those provinces. You will also be asked to provide assistance in financing the Beechwood project which has been under construction in New Brunswick.

My ministers will advance this national development policy further by initiating new discussions with the government of Saskatchewan in order to make possible the early commencement of construction of the dam on the South Saskatchewan river.

My ministers are pressing for a favourable settlement of international problems in connection with the Columbia river to clear the way for a joint program with the province of British Columbia to develop the immense power in the waters of this river.

My ministers will place before you a measure to ensure that those working in industries under federal jurisdiction will receive annual vacations with pay.

You will be asked to approve bills relating to certain railway branch lines, amendments to the Canadian and British Insurance Companies Act, and, in so far as the other business before you permits, to several other statutes.

Members of the House of Commons:

You will be asked to appropriate the sums required for carrying on the government of Canada during the remainder of the current fiscal year.

Changes in certain of the taxing statutes will be submitted for your approval.

Honourable Members of the Senate:

Members of the Commons:

I wish to express to you and to the people of Canada my gratitude and that of my husband for the warmth of the loyalty and affection with which we have been welcomed here in Canada.

As I now address you here for the first time, I will call to your minds the words of the earlier Elizabeth when, more than three centuries ago, she spoke from her heart to the Speaker and members of her last parliament and said "Though God hath raised me high, yet this I count the glory of my crown, that I have reigned with your loves". Now here in the new world I say to you that it is my wish that in the years before me I may so reign in Canada and be so remembered.

On this happy day when we give thanks to God for all that He has bestowed on us, I ask that He may bless and guide you.

[Mr. Speaker.]

Right Hon. J. G. Diefenbaker (Prime Minister) moved:

That the speech of Her Majesty the Queen to both houses of parliament be taken into consideration at the next sitting of the house.

Motion agreed to.

ADDRESS TO HER MAJESTY

MOVED BY PRIME MINISTER—SECONDED BY LEADER OF OPPOSITION

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, having regard to the fact that this is indeed the Queen's day, as I said earlier, and in the light of the moving experience which has been ours during the last few minutes, I could not but think of the words of the poet John Masefield in which he described the Queen in this way:

> An order and a beauty from of old
> Set by its virtue above greed and hate;
> A loneliness of living crowned with gold;
> In all life's storm a standard of the state.

Without further words I feel that all hon. members in this house would wish to join in the motion to be moved by myself and seconded by the Right Hon. Mr. St. Laurent in these words:

That a humble address be presented to Her Majesty conveying the loyalty and love of this house and of all her Canadian subjects, their joy in welcoming the presence in Canada of Her Majesty and His Royal Highness The Prince Philip, and their profound gratitude to Her Majesty for graciously opening parliament and making of this day an historic occasion for all Canadians.

Right Hon. L. S. St. Laurent (Leader of the Opposition): Mr. Speaker, I am very pleased to second the motion of the Prime Minister expressing the deep loyalty, respect and affection which I know everyone in this chamber feels for Her Majesty the Queen, and our genuine satisfaction in welcoming our sovereign lady and Prince Philip.

This is a happy occasion on which to state in formal terms the emotions we felt when Her Majesty presided at the opening of the twenty-third parliament of Canada, and stated, as was the fact, that for the first time the representatives of the people of Canada and their sovereign were assembled on an occasion of such importance. I think this day will go down in Canadian history as—in the words used by the Prime Minister—the Queen's day, and that we shall all rejoice in remembering the emotions of this splendid occasion.

Hon. members will recall that the possibility of Her Majesty and Prince Philip being in Canada at this time arose some months ago, and even then we all hoped that the situation would be such that Her Majesty might herself preside at the opening of this twenty-third parliament. I am very happy that the

Prime Minister was able to arrange that this historic ceremony should take place on the occasion of this visit.

I shall defer until the appropriate time my observations on the contents of Her Majesty's speech from the throne, but I do wish to say a word about the gracious and moving speech the Queen addressed last evening by radio and television to the people of Canada.

The pride of all Canadians in our country was, I am sure, enhanced when Her Majesty referred to herself with such evident pride as the Queen of Canada, and particularly when she reminded us that it would be as Queen of Canada that she would visit the United States of America within the next few days. For many of us those words carried our minds back some 18 years to the first visit of a reigning sovereign to the United States, a visit which prepared the way for the ready acceptance today of the position that the sovereign, in visiting our great neighbouring nation, makes such a visit primarily as the head of the Canadian nation.

(*Translation*):

The grace and ease with which Her Majesty has addressed us in the native tongue of some five million of her Canadian subjects has warmed the hearts of those who, for more than two centuries, have realized that their traditions, their culture and their language are an ever-growing source of pride to all Canadians and, in the eyes of our gracious sovereign, are part and parcel of our national heritage.

(*Text*):

From the moment of the accession of our Queen to the throne she has displayed on all occasions those qualities which made her late father, King George VI, so universally loved and respected by his subjects throughout the empire and commonwealth. We have all admired her devotion to duty, her high ideals of family life, and her firm attachment to the finest traditions of the commonwealth over which she presides.

As head of the commonwealth Her Majesty symbolizes the principles of freedom, self-government and mutual understanding which unite the members of the commonwealth and make the commonwealth itself a great force for peace in the world.

We on this side of the house are happy to join in the humble address conveying to Her Majesty the loyalty and love of this house and of all her Canadian subjects, their joy in welcoming the presence in Canada of Her Majesty and His Royal Highness the Prince Philip, and the profound gratitude of the nation to Her Majesty for graciously opening parliament and making of this day, as the motion itself states, an historic occasion for all Canadians.

Mr. Diefenbaker: Mr. Speaker, may I suggest that in putting the motion we stand and sing.

Whereupon the members of the house rose and sang

God Save the Queen.

Motion agreed to.

INTERNAL ECONOMY COMMISSION

Right Hon. J. G. Diefenbaker (Prime Minister) presented the following message from His Excellency the Governor General:

The Governor General transmits to the House of Commons a certified copy of an order in council appointing the Hon. Donald Methuen Fleming, Minister of Finance, the Hon. Leon Balcer, Solicitor General, the Hon. George Clyde Nowlan, Minister of National Revenue and the Hon. Ellen Louks Fairclough, Secretary of State, to act with the Speaker of the House of Commons as commissioners for the purposes and under the provisions of chapter 143 of the Revised Statutes of Canada, 1952, intituled: An act respecting the House of Commons.

HOUSE OF COMMONS

APPOINTMENT OF CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. J. G. Diefenbaker (Prime Minister) moved:

That Henri Courtemanche, Esquire, member for the electoral district of Labelle, be appointed chairman of committees of the whole house.

He said: The hon. member for Labelle (Mr. Courtemanche) served in the previous parliament and he is a member again of this parliament. He has unusual ability and capacity and I know that if appointed he will discharge the responsibilities of this office with honour to himself and to this house.

Motion agreed to.

APPOINTMENT OF DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. J. G. Diefenbaker (Prime Minister) moved:

That Arza Clair Casselman, Esquire, member for the electoral district of Grenville-Dundas, be appointed deputy chairman of committees of the whole house.

He said: The hon. member to whom I refer has been in the House of Commons continuously since 1925. He was first elected in the year 1921 and resigned at that time. He returned in 1925 and has been a member of the House of Commons since. I also hope that his nomination will receive the approval of the house.

Appointment of Committees

Mr. A. C. Casselman (Grenville-Dundas): Mr. Speaker, I must admit I am taken completely by surprise. I had not been officially informed of this. In the long time that I have been in the House of Commons I have learned to appreciate the responsibilities that accompany positions of this kind because for a period of 20 years I was the whip of the opposition. I would ask my leader if he would allow his motion to stand until such time as I can have an opportunity to look into it.

Mr. Diefenbaker: Mr. Speaker, at the request of the hon. gentleman the motion will stand.

Motion stands.

SUPPLY

APPOINTMENT OF COMMITTEE

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, a similar situation prevails today as prevailed in 1949 in the second session of parliament. In the second session of that year a portion of supply had been voted. When the new parliament began its sittings on September 15 in that year the Right Hon. L. S. St. Laurent, then prime minister, moved that the house resolve itself at its next sitting into a committee to consider of a supply to be granted to His Majesty.

A similar situation prevails today because supply will run out at the end of this month. I move, seconded by the Minister of Finance (Mr. Fleming):

That this house will, at its next sitting, resolve itself into a committee to consider of a supply to be granted to Her Majesty.

This can be done only with consent.

Mr. Speaker: Is it the pleasure of the house to adopt the said motion by unanimous consent?

Some hon. Members: Agreed.

Motion agreed to.

WAYS AND MEANS

APPOINTMENT OF COMMITTEE

Right Hon. J. G. Diefenbaker (Prime Minister): Again by unanimous consent I move, seconded by the Minister of Finance (Mr. Fleming):

That this house will, at its next sitting, resolve itself into a committee to consider of the ways and means for raising the supply to be granted to Her Majesty.

Mr. Speaker: Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

[Mr. Diefenbaker.]

THE LATE DR. WILLIAM GOURLAY BLAIR

TRIBUTE TO LATE MEMBER FOR LANARK

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, very often during sessions of parliament the members of this house are called upon to say words of commendation of hon. members who having served have passed on, and these occasions arising from time to time serve as unhappy reminders of the shortness of life. The election had been over only a few days when Dr. William Gourlay Blair passed away. He was born in Lanark county, Ontario, the county which he represented in the House of Commons, on January 13, 1890. He attended Perth collegiate and subsequently Queen's University, where he graduated as a medical doctor. He went overseas early in the first war and served as a captain in the Canadian Army Medical Corps. Following the war he maintained a continuing interest in the militia forces of the country and became a lieutenant colonel in the militia.

He was first elected to the House of Commons in the election of 1945 and re-elected in all subsequent elections. I think it will be generally agreed that he was hard working, capable and able and devoted himself both in the house and in committee with zeal and capacity. He was the spokesman of this party on the subject of health and welfare. He will be remembered, however, by members of all political parties for the infinite care that he took whenever any member of this house was stricken in any way with illness. He became, as it were, the unofficial medical officer of parliament, and he continued an interest in the afflicted member's condition throughout the period of the illness.

I think one of the most touching descriptions of him appeared in the Ottawa *Journal* a day or so after his passing. I think these words, if said of us, would constitute a magnificent epitaph:

Dr. Blair, that good and gentle man, carried to the House of Commons a spirit of tolerant understanding that made no political battle bitter or any disagreement harmful to friendship.

His memory will be revered. A great and truly magnanimous spirit has passed on. His death is a loss to parliament; it is a loss to the country and it is a loss to this party in which, had he lived a little longer, the opportunity for greater service would have been accorded to him. The house will join with me, I am sure, when I express the heartfelt sympathy of every one of us to the members of the family, to his widow and to his son and daughter. He served his generation well. His memory will be revered.

Right Hon. L. S. St. Laurent (Leader of the Opposition): Mr. Speaker, all of us in the house, the new members who did not know him as well as those of us who did, will share the feeling of sadness that at the very opening of a new parliament we should be paying tribute to one of the members who enjoyed and deserved the respect of everyone in the previous parliaments in which he sat. I think it is one of the finest attributes of our parliamentary system that we can differ with one another about public questions and still retain respect, esteem and affection for one another as members of the human family.

In the case of Dr. Blair we know that he was one of those members who was deeply loyal to his own party, who worked hard in its interests but was never an extreme partisan, and I think we would all agree with what the Prime Minister (Mr. Diefenbaker) has said about him. As a consequence we all know that he enjoyed in more than large measure the regard of his fellow members in all parties in this house.

On behalf of the official opposition I should like to extend to the Prime Minister and to his colleagues our sincere sympathy in the loss of one who would have contributed to their strength in this house had he been spared to continue his service among us. On behalf of our party I should like to join with the Prime Minister in expressing to Mrs. Blair, to their son and daughter, and to all the members of the family, our very deep sympathy in their bereavement.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I am quite sure that all members of the house will agree with what the Prime Minister (Mr. Diefenbaker) and the Leader of the Opposition (Mr. St. Laurent) have said regarding the late Dr. Blair. Those of us who sat in the house with him for some years look upon the loss as a personal one. When a member fell ill, Dr. Blair, like other medical men in this chamber, was immediately able to render assistance to the suffering member. Dr. Blair sat very close to me—just across the way; consequently I got to know him very well. Indeed, I might say that I had not only a high regard for him but I came to have affection for him, as many of us had. When he passed away so suddenly it was a reminder, of course, that even a medical man who attends members of parliament suffering from the diseases which ultimately take them away was perhaps unaware of the condition in which he himself was.

I wish to join the Leader of the Opposition in expressing to the government and the members of the late Dr. Blair's party our sincere sympathy in the loss that they have sustained. I noted the Prime Minister said that had Dr. Blair lived a little longer his great ability might have been recognized to a greater extent than it was hitherto. I noted, too, at the time that the shock must have been very great to his family. I noticed that his wife suffered an attack almost immediately. May I express sympathy to his wife and to his family and also the hope that Mrs. Blair has fully recovered her health and that time will heal the loss she must have sustained in the passing of Dr. Blair.

Mr. Solon E. Low (Peace River): Mr. Speaker, it seems that all too frequently we are called upon to pause in our activities in this house to pay tribute to a deceased member. It seems to me it indicates the strenuous nature of the work that has to be undertaken by those who stand for election to this House of Commons.

It has been some months now since the shock of the news of Dr. Blair's death came to us, but I am sure it will be a long time before our deep appreciation of his many fine qualities is in any way dulled. Dr. Blair was one of those members about whom almost everything good could be said. It is therefore no problem whatever to pay tribute to him in the very highest terms and to do it honestly.

We concur in what has already been said about him. However, I would like to add this. In my judgment he was a good representative of his people; he was a good parliamentarian; he was a trusted and valued friend; and above all he was a gentleman who was always kind, considerate and very, very helpful. On behalf of the party that I have the privilege to lead I express to the Prime Minister and his party our sympathy in their great loss, and to his widow and the members of the family left behind our very sincere sympathy and our prayers that time will heal the shock and the wounds and will sublimate their sorrow into most beautiful memories.

Mr. W. H. McMillan (Welland): I rise to pay tribute to an old friend, the late member for Lanark. I think I possibly knew him longer than did any other member in this house. We were in the same medical year at Queen's University; we graduated together, went overseas with the Canadian Army Medical Corps and returned and took postgraduate courses together in the city of New York. We were returned home from France within a day or two of each other and I met him at the demobilization centre in Kingston, Ontario. There I introduced him to one of the nursing sisters of the unit to which I was attached. She was that gracious lady, Miss Grace Moore, who became Mrs. Blair the

The late Dr. W. G. Blair

following year. While in New York I noticed that he took a great interest in the two political parties in that city and I was not surprised that when he came back to Canada he entered politics.

He was a very hard working, sincere member and I am sure that he represented his constituents in the house with distinction. He was always interested in the health of the members of the house. One of the last conversations I had with him had to do with that very matter. The Prime Minister (Mr. Diefenbaker) said today that he had intended to call Dr. Blair to a higher duty, I presume to the portfolio of minister of national health and welfare. Without detracting in any way from the present incumbent of that high office, may I say that I regret that Dr. Blair was not spared to be called to take that portfolio.

I desire to join with the leader of the various parties in the house and express my condolences to Mrs. Blair and her family.

BUSINESS OF THE HOUSE

Mr. Diefenbaker: Mr. Speaker, the debate in reply to the speech from the throne will be proceeded with tomorrow and will be restricted to the mover and seconder. By leave the house will then adjourn until Wednesday.

On motion of Mr. Diefenbaker the house adjourned at 4.45 p.m.

HOUSE OF COMMONS

Tuesday, October 15, 1957

The house met at 2.30 p.m.

MAIN ESTIMATES, 1957-58

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1958, was presented by Hon. Donald M. Fleming (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

SUPPLEMENTARY ESTIMATES, 1957-58

A message from His Excellency the Governor General transmitting supplementary estimates for the financial year ending March 31, 1958, was presented by Hon. Donald M. Fleming (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

FURTHER SUPPLEMENTARY ESTIMATES, 1957-58

A message from His Excellency the Governor General transmitting further supplementary estimates (1) for the financial year ending March 31, 1958, was presented by Hon. Donald M. Fleming (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

FURTHER SUPPLEMENTARY ESTIMATES, (2) 1957-58

A message from His Excellency the Governor General transmitting further supplementary estimates (2) for the financial year ending March 31, 1958, was presented by Hon. Donald M. Fleming (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

EXPLANATORY STATEMENT OF THE MINISTER OF FINANCE

Hon. Donald M. Fleming (Minister of Finance): If the house will permit, perhaps it would be of interest if I were to make a brief statement indicating the nature of the estimates which have been tabled today.

Four sets of estimates for the fiscal year ending March 31, 1958 have been tabled today. The first three of these are the same main, supplementary and further supplementary estimates as were tabled in the House of Commons during the last session of parliament. Except for the items for the Post Office Department these estimates were not finally dealt with during that session. In fact, only seven-twelfths of most of the items in these estimates, or enough to carry the services through to the end of October, were granted.

Since the programs provided for in these estimates were already well advanced when the new government took office, and to avoid the expenditure of a further $20,000 for revising and reprinting them, retabling the existing estimates is considered to be the most reasonable course of action to take under the circumstances. However, this is not to say that the present government will support all of the detailed programs contemplated when those estimates were originally prepared. Rather, such changes as this government proposes to make in the current year programs will be brought to parliament's attention when the individual items affected are being considered by the committee of supply.

The further supplementary estimates which have been tabled for the first time today provide mainly for the general revision of civil service salaries effective May 1, 1957, $31.2 million; a further grant toward the anticipated operating deficit of the Canadian Broadcasting Corporation, $8.1 million; and expenses in connection with the maintenance of immigrants in Canada, $8.8 million. The other items in these estimates are less sizeable and are generally of the type which it is usual to include in mid-year supplementary estimates. The total estimates, which for the reasons I have indicated I shall describe as gross estimates, for the current year 1957-58 tabled to date amount to $5,597,316,555, including old age security payments which are made from the old age security fund, and loans, investments and advances.

Motion agreed to.

AWARDS AND DECORATIONS

CONGRATULATIONS TO MEMBER FOR ALGOMA EAST ON WINNING NOBEL PRIZE

Mr. Daniel McIvor (Fort William): Mr. Speaker, with your permission may I rise on a question of privilege and congratulate the man who was chosen for the award of the Nobel peace prize. He has shown himself to be a man of courage, initiative, kindness and courtesy. I cannot describe him better than in the words of that great people's poet: A man's a man for a' that.

Nobel Peace Prize—Mr. Pearson

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I had intended to wait until the opportunity came, but my hon. friend has preceded me and all I can do is say that I intended to rise for the purpose of saying that the recognition of the achievements of those who are politically opposed is not incompatible with my concept of parliamentary life. It is one of the joys of our system of parliamentary government, indeed it is of the essence for its preservation, that members in our parliaments, regardless of the differences that separate them, remain Canadians first.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I want to say that the announcement yesterday of the award of the Nobel prize to one who has been a political opponent but a personal friend is a tribute to him and an honour to Canada. The award of the Nobel prize for peace has come to certain people on this continent on a number of previous occasions and the naming of those who have received that award is evidence of their respective contributions to the laying of those foundations and to the doing of those things which are necessary for the preservation of the achievement of that ideal of world peace which after all is the dominating motive of all of us in the free world.

Among those who have received the award is Elihu Root, a long-time secretary of state of the United States and a great lawyer whose contribution to peace played its part in the building of a system of international law applicable to the nations of the world, in a like manner that the law binds each and every one of us equally under the British system of government and of law.

Another who received the award was a former president of the United States, Mr. Woodrow Wilson, who in his day and generation dreamed dreams and hoped hopes that, while they were not achieved in his day nor have they been since, nonetheless were landmarks of advancement in the preservation and maintenance of those things from which peace can be built.

Then another was the Hon. Frank Kellogg, also a secretary of the United States, who in 1926 advanced, along with Mr. Briand of France, a pact which in his day was believed to have achieved peace for all generations.

These three have been the predecessors in North America of my hon. friend as holders of the award for peace by the Nobel foundation. The award to the hon. member is one, as I said in the beginning, that brings honour to him and it is with the warmest of good feelings and the most sincere of good wishes that I congratulate him on the honour that has come to him.

Some hon. Members: Hear, hear.

Hon. L. B. Pearson (Algoma East): Mr. Speaker, I have quite literally lost my voice from saying thank you yesterday and today, but I think I have enough left to express my grateful appreciation of the words of the hon. and venerable member for Fort William (Mr. McIvor) and for the very kind, indeed very generous, words of the Prime Minister (Mr. Diefenbaker). I realize, as I have already said outside this house, that the consideration which must have governed the committee in making this award to me revolved around the fact that I was the representative of Canada at the United Nations and other international meetings where so many of us were doing our best for peace and security in this troubled world.

I know that in that sense I have had very special opportunities because of my position. I know also that I would not have been able to have made the most of those opportunities had it not been for the support which I felt that in the main I was receiving from the Canadian people; the support in the main of this house in the objects we were pursuing and, perhaps I may say, without impropriety, the friendship, advice and leadership which I always received from my leader in the work I was trying to do.

In this sense the award was a Canadian award, and I am very proud indeed to have been the particular Canadian chosen through force of happy circumstances to receive it.

THE CANADIAN ECONOMY

ANNOUNCEMENT OF APPOINTMENT OF ROYAL COMMISSION ON ENERGY

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, by leave of the house I would like to make an announcement at this time, and to say that the governor in council today established a royal commission to inquire into and to make recommendations concerning a number of matters relating to energy and sources of energy that fall within the jurisdiction of parliament.

The commission is to be composed of Mr. Henry Borden, Q.C., of Toronto; Mr. J. Louis Levesque, Montreal; Mr. George Britnell of Saskatoon; Mr. Gordon Cushing of Ottawa; Mr. Robert Howland of Halifax, and Mr. Leon Ladner of Vancouver.

I will say no more regarding this matter than this: Mr. Borden is known in all parts of Canada; Mr. Levesque is a financier in Montreal who is well known, not only in his

own province but throughout our country; Mr. George Britnell is a professor of economics in the University of Saskatchewan and has participated in a number of royal commissions; Mr. Gordon Cushing is executive vice president of the Canadian Labour Congress; Mr. Howland of Halifax is an economist; and Mr. Leon Ladner, a former member of this house during the period 1926 to 1930, is a businessman in addition to being a lawyer.

The details of the terms of reference of the commissioners may be of some interest to the house, and with the leave of hon. members I would like to put them on record by reading them now. The commissioners are empowered to inquire into and make recommendations concerning:

(a) the policies which will best serve the national interest in relation to the export of energy and sources of energy from Canada;

(b) the problems involved in, and the policies which ought to be applied to, the regulation of the transmission of oil and natural gas between provinces or from Canada to another country, including, but without limiting the generality of the foregoing, the regulation of prices or rates to be charged or paid, the financial structure and control of pipe line corporations in relation to the setting of proper prices or charges, and all such other matters as it is necessary to inquire into and report upon, in order to ensure the efficient and economical operation of pipe lines in the national interest;

(c) the extent of authority that might best be conferred on a national energy board to administer, subject to the control and authority of parliament, such aspects of energy policy coming within the jurisdiction of parliament, as it may be desirable to entrust to such a board, together with the character of administration and procedure that might best be established for such a board;

(d) whether, in view of its special relationship to the Northern Ontario Pipe Line Crown Corporation and the nature of its financing and control, any special measures need be taken in relation to Trans-Canada Pipe Lines Limited, in order to safeguard the interests of Canadian producers or consumers of gas; and

(e) such other related matters as the commissioners consider it necessary to include in reporting upon the powers that I have already specified.

There is a special clause in the order in council appointing a commission to ensure that the establishment of it and the conduct of its inquiries shall not in any way delay the negotiations relating to waters crossing the international boundary.

As I am sure there will be widespread interest in this matter I ask leave to table two copies of the order in council.

[*Later:*]

On the orders of the day:

Mr. Solon E. Low (Peace River): Mr. Speaker, I wish to direct a question to the Prime Minister and it is not for the purpose of giving him further exercise, because he has had plenty today. In my judgment a very serious omission has occurred in the naming of the members of the royal commission announced by the Prime Minister today. In view of the fact that a very large percentage of Canada's known reserves of coal, gas and oil are to be found in the province of Alberta I wonder why the Prime Minister, in naming this royal commission to investigate the whole field of energy and recommend policies, did not include a member from the province of Alberta.

Mr. Diefenbaker: Mr. Speaker, we endeavoured to have representation on a regional basis and we felt that Mr. Britnell, with his knowledge of the subject, would represent not only Saskatchewan and Alberta but all the provinces of Canada. There is no omission that I know of that could have been rectified whereby all of the provinces with resources could have been included. I recognize the vast resources of Alberta and I feel that in the hands of Mr. Britnell all of the considerations that my hon. friend has in mind will receive the closest of attention from the commission.

[*Later:*]

EFFECT ON SALE OF URANIUM OXIDE TO WEST GERMANY

On the orders of the day:

Mr. Stanley Haidasz (Trinity): Does the establishment of the royal commission on energy cancel the deal of the Canadian government to sell uranium oxide to West Germany?

Right Hon. J. G. Diefenbaker (Prime Minister): The appointment of the royal commission cancels nothing.

HOUSE OF COMMONS

APPOINTMENT OF DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. J. G. Diefenbaker (Prime Minister) moved:

That Arza Clair Casselman, Esquire, member for the electoral district of Grenville-Dundas, be appointed deputy chairman of committees of the whole house.

Mr. Benidickson: Does he know about it now?

Mr. Gauthier (Portneuf): Does he accept now?

Some hon. Members: Agreed.

Motion agreed to.

Inquiries of the Ministry

REQUEST FOR SPECIAL COMMITTEE ON DEFENCE ESTIMATES

On the orders of the day:

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Can the minister tell us when he will be moving for the establishment of that special committee to examine defence estimates of which he was such an able advocate before dissolution?

Hon. G. R. Pearkes (Minister of National Defence): The government will be very pleased to announce its policy in that respect in due course.

TRANS-CANADA AIR LINES

KAPUSKASING—INQUIRY AS TO ABANDONMENT OF SERVICE

On the orders of the day:

Mr. J. A. Habel (Cochrane): Mr. Speaker, I should like to direct a question to the Minister of Transport. Has the minister approved an application by Trans-Canada Air Lines for permission to abandon the service to Kapuskasing, and does the minister approve of Canada's national air line abandoning a service of this kind merely because the service may be unprofitable?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, the application to discontinue that service has been presented to the air transport board and is under consideration at the present time.

Hon. George C. Marler (St. Antoine-Westmount): May I direct a supplementary question to the minister? Has the application by Trans-Canada Air Lines been made with the approval of the minister?

Mr. Hees: As the former minister knows, an application of that kind does not need to be made with the approval of the minister.

HEALTH INSURANCE

INQUIRY AS TO OMISSION FROM SPEECH FROM THE THRONE

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to ask a question of the Prime Minister. Normally this question would be directed to the Minister of National Health and Welfare (Mr. Monteith) but as this question is one that arises out of the speech from the throne I think the right hon. gentleman will agree it should be addressed to him.

[Mr. Gauthier (Portneuf).]

Is the omission from the speech from the throne of the slightest reference to hospital insurance to be construed as an indication that the government has abandoned this program which has won such wide acceptance throughout Canada?

Right Hon. J. G. Diefenbaker (Prime Minister): My answer will be somewhat shorter than the voluminous answers that we used to receive from the former minister of national health and welfare. My answer is a simple negative; no.

Mr. Stanley Knowles (Winnipeg North Centre): May I direct a question to the Minister of National Health and Welfare with respect to this same subject. Can the minister inform the house whether agreements have been signed between any of the provinces and the federal government under the hospital insurance act and, if so, which provinces have signed agreements?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, six provinces have indicated that they are going to come into the national health insurance plan. They are British Columbia, Alberta, Saskatchewan, Ontario, Prince Edward Island and Newfoundland.

Mr. Knowles (Winnipeg North Centre): Have any of them signed agreements or has the government made any effort to get them to sign agreements?

Mr. Monteith: No agreements have as yet been signed.

BASE METALS

REQUESTED FLOOR PRICES—INQUIRY AS TO ANNOUNCEMENT

On the orders of the day:

Mr. J. A. Byrne (Kootenay East): I should like to direct a question to the Prime Minister. Several weeks ago the Prime Minister received a delegation from the mine, mill and smelter workers of Canada —

Some hon. Members: Question.

Mr. Byrne:—requesting that the government take into consideration—

Some hon. Members: Question.

Mr. Byrne:—the setting of a floor price on base metals. Has the Prime Minister given consideration to this matter, and is he prepared to make an announcement soon?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, this is a rather big subject to deal with in a simple answer, but may I say that at the time the delegation met the government there was a very serious

threat that the United States intended to impose very high tariffs against the importation into the United States of the metals to which the hon. member has referred. That expected action did not culminate in any way in legislative approval by congress.

Until the matter has been considered further by congress and there is any indication that action will be taken by the United States, there is little more that can be done at this time. The whole question of these two metals was discussed on a number of occasions with representatives of the United States, and when anything of a definite nature is available it will be brought to the attention of the house immediately.

[*Later:*]

Mr. Byrne: May I ask a supplementary question respecting base metal prices? The miners' union made their request based on the present prices of metals—

Some hon. Members: Question, question.

Mr. Byrne: —and is the Prime Minister considering stockpiling and putting a floor price under base metals in Canada?

Mr. Diefenbaker: Mr. Speaker, that again is a question of government policy to be made known in due course.

PENSIONS

CANADIAN NATIONAL RAILWAYS—INQUIRY AS TO INCREASE FOR RETIRED EMPLOYEES

On the orders of the day:

Mr. Henry Murphy (Westmorland): I should like to direct a question to the Minister of Transport. Has the government given consideration to increasing the pensions of retired employees of the Canadian National Railways?

Mr. Diefenbaker: You forgot about that for a little while.

Hon. George H. Hees (Minister of Transport): Matters of that kind are always of great interest to this government—

Some hon. Members: Oh, oh.

Mr. Hees: —and whenever the government has any information regarding the matter to give to the house it will be done in the proper form and in the proper manner.

[*Later:*]

REQUEST FOR INCREASE IN PENSIONS OF SUPERANNUATED FEDERAL CIVIL SERVANTS

On the orders of the day:

Mr. Daniel McIvor (Fort William): I should like to direct a question to the Minister of Finance. Will he give any consideration this year to increasing the pensions of retired civil servants, inasmuch as he supported my resolution last year?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, that matter is under consideration and has been for a long time. I think my hon. friend is aware that other pension increases are indicated in the speech from the throne.

Mr. McIvor: Thank you.

[*Later:*]

INQUIRY AS TO EFFECTIVE DATE OF FORECAST INCREASES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Can he tell the house what is to be the effective date of the old age and other pension increases forecast in the speech from the throne?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, that matter naturally will be considered at the time the bill is being presented to the house, which we trust, of course, will be soon.

Mr. Knowles (Winnipeg North Centre): May I ask a supplementary question. In view of the fact that the provision for $46 a month runs out at the end of this month unless further interim supply is provided, can the minister say whether the new rate will be effective November 1?

Mr. Monteith: Mr. Speaker, I think my previous answer covered the situation.

Mr. Knowles (Winnipeg North Centre): Oh no.

SHIPPING

COASTAL TRADE—INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I ask the Prime Minister a question. Can he tell us when the report of the royal commission on coastal shipping will be handed down?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I cannot right offhand. I will make inquiries and at the next sitting of the house I will give an answer to my hon. friend.

Inquiries of the Ministry

AGRICULTURE

REQUEST FOR ROYAL COMMISSION TO INVESTIGATE PRICE SPREADS

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Prime Minister. Has the government under consideration the establishment of a royal commission to inquire into the great spread between the low prices paid to producers of agricultural products and the high retail prices charged consumers?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I could answer that question in the usual way and say it is a matter of government policy, but I may say to my hon. friend that the government has given immediate consideration to this most serious and difficult problem, one respecting which I for one have spoken on a number of occasions of the need of something being done to investigate this spread. Within a very few days an announcement will be made in this regard, the matter having been decided some two or three weeks ago.

GRAIN

REQUEST FOR ADVANCE PAYMENTS ON FARM-STORED GRAIN

On the orders of the day:

Mr. William Bryce (Selkirk): I should like to address a question to the Minister of Trade and Commerce. When can prairie farmers expect to receive advance payments on grain stored on farm?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I am glad to see the hon. member's interest in this subject. Just as soon as the house is prepared to consider the legislation indicated in the speech from the throne we will proceed with the matter, and I hope the legislation will meet with his approval.

WHEAT—REQUEST FOR INTERIM PAYMENT ON 1956-57 CROP

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to address a question to the Minister of Trade and Commerce. As a further means of alleviating the extremely critical cash shortage on the prairies today to which the Prime Minister has referred, will the minister be able to announce shortly an interim payment on the 1956-57 wheat crop? Is the government considering the request of the wheat pools that an advance payment be made at this time?

[Mr. Diefenbaker.]

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I thank the hon. member for his question. May I say that the matter will be taken under consideration.

HEALTH AND WELFARE

ASIATIC FLU—STEPS TO PREVENT SPREAD

On the orders of the day:

Mr. W. L. Houck (Niagara Falls): May I ask the Minister of National Health and Welfare what I think is a very important question. Indeed, it is of importance to all members of the house as well as the people of the country generally. Before doing so, may I be allowed to congratulate him upon his elevation to a very important portfolio. This, Mr. Speaker, is my question. Has the government taken any further steps to prevent, if possible, the spread of the Asiatic flu germ which is causing so much inconvenience and distress to all the people of the dominion?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, first may I express my appreciation to the hon. member for his kind words concerning my elevation to the cabinet. May I also thank the hon. member for having given me notice a short time ago of his intention to ask this question.

With vaccine being produced in increasing quantities, provincial programs of vaccination are now under way. However, due to the early arrival of influenza in epidemic proportions in some provinces and the expectation that it might subside in a matter of a few weeks, most provinces have indicated their reluctance to make any commitment for vaccine beyond November 15.

In addition to meeting the requirements of the federal-provincial immunization program it has been possible, through the co-operation of the laboratories and the two senior levels of government, to provide facilities for the production of increasingly large quantities of vaccine which will be made available through the usual channels to the medical profession for protection of those not included in provincial programs.

IMMIGRATION

INQUIRY AS TO ENTRY OF WAR CRIMINALS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): As a prelude to my normal sessional curiosity I should like to direct a question to the Minister of Justice. Since no person with a criminal record can legally enter Canada, does this prohibition apply to war criminals?

Hon. E. D. Fulton (Minister of Justice): I understand the hon. member to ask me whether the prohibition applies to war criminals. I should like to thank the hon. member for his courtesy in giving me notice of his intention to ask this question.

In reply, I think I must say that the words referred to in the Immigration Act are technical words and used in a technical sense, and as the words "war criminals" do not have a precise meaning it is not possible to give a categorical answer to the question. All I can say is that each case would have to be dealt with on an individual basis.

FINANCE

REQUEST FOR COMMITTEE TO STUDY INFLATIONARY TREND

On the orders of the day:

Mr. E. G. Hansell (Macleod): May I direct a question to the Prime Minister or the leader of the house. Would the government initiate a move to have a special parliamentary committee or even the banking and commerce committee meet to pursue a study of the reasons for the inflationary trend and the continued increase in the cost of living?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, this government, as always, will give consideration to anything for the benefit of the Canadian people.

Mr. Harold E. Winch (Vancouver East): I desire to direct a question to the Prime Minister. I am sorry I was not able to give him notice. I should like to ask him, what is the difference between the attitude of the majority of your members now as compared to the attitude shown by the previous government and to which your members strenuously objected?

Mr. Diefenbaker: It is not a question of attitude; it is a question of parliamentary rights.

Some hon. Members: Oh, oh.

Mr. Winch: As a supplementary question, may I ask the Prime Minister if he does not find there is a difference when the shoe is on the other foot?

INQUIRY AS TO CHANGE IN PREVIOUS MONETARY POLICY

On the orders of the day:

Mr. Colin Cameron (Nanaimo): Can the Minister of Finance tell us if his government is prepared or is proposing to change the so-called tight money policy of the previous Liberal government?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, if there is any statement to be made on that subject I can assure my hon. friend it will be made to the house at the proper time. However, I may recall to my hon. friend's mind the fact that some five weeks ago this government made the sum of $150 million available for loans on mortgages to stimulate the construction of houses under the National Housing Act.

Mr. Lesage: It was provided in the estimates.

Mr. Fleming: It was not provided in the estimates. I just heard a mistaken interruption from the hon. member for Montmagny-L'Islet. This $150 million, which seems to confuse my hon. friend, was not in the estimates, but was provided under the statute. It was not in the estimates, and the government in accordance with the provisions of the act in question, which is the National Housing Act, made the money available, by means of which it is hoped to stimulate house construction in the fall and winter months.

Mr. Pickersgill: May I ask a supplementary question?

Mr. Speaker: The hon. member for Nanaimo.

Mr. Cameron: Does the minister consider that the $150 million provided for the construction of houses is in effect an amendment or reversal of the provisions of the government's tight money policy, and if so would he explain to the house of what that policy consisted?

Mr. Fleming: Far be it from me to undertake to explain the policies of the last government.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I have a supplementary question to the question asked by the hon. member for Nanaimo. Is the Minister of Finance telling us now he is repudiating the statement he made to the Canadian Press after the election?

Mr. Fleming: I have never repudiated any statement in my life, and I do not intend to start now. I commend that example to my hon. friend.

CANALS

CHIGNECTO—REFERENCE TO STATEMENT BY PRIME MINISTER

On the orders of the day:

Mr. Henry Murphy (Westmorland): I wish to direct a question to the Minister of Transport. To what persons has the government

entrusted the task of investigating the feasibility of the Chignecto canal? This was promised in Saint John, New Brunswick, by the Prime Minister on May 3.

Hon. George H. Hees (Minister of Transport): Mr. Speaker, a number of transport and allied problems are now under consideration by my department, and at such time as there are any announcements to be made to this house concerning those studies, they will be made.

HUMAN RIGHTS

INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): I should like to direct a question to the Prime Minister. When does the Prime Minister intend to introduce legislation to provide a bill of rights for Canadians?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the matter is receiving the earnest consideration of the Department of Justice, who are looking into it in order to bring together in proper alliance all the necessary questions which must be considered before such a bill will be introduced or could be introduced.

TRADE

REQUEST FOR STATEMENT ON RECENT CONFERENCES WITH UNITED KINGDOM

On the orders of the day:

Hon. Paul Martin (Essex East): I wonder if the Minister of Finance could tell us when we may expect to hear or receive details of the recent proposal made by Her Majesty's government in the United Kingdom under the general heading of a free trade plan between the United Kingdom and Canada?

Hon. Donald M. Fleming (Minister of Finance): I shall be glad to make a statement, if it is the wish of the house, on the subject of the trade proposals and the various recent conferences on the subject of trade. I shall be glad to do that at any time it is the wish of the house.

Mr. Martin (Essex East): I am sure my hon. friend will recognize the importance of this matter. Perhaps he and the Prime Minister could make an announcement at an early date when this may be done, because I think he will agree there is very wide interest in this subject.

[Mr. Murphy (Westmorland).]

Mr. Fleming: I will be glad, at a very early time, to make a statement reviewing the various recent trade conferences and the matters that have emerged from them, if that is the wish of the house.

AIR TRANSPORT

AIR TRAFFIC RIGHTS, ITALY-CANADA—REQUEST FOR STATEMENT

On the orders of the day:

Hon. George C. Marler (St. Antoine-Westmount): I should like to direct a question to the Prime Minister. Could he tell the house whether negotiations which were undertaken earlier this year between Canada and Italy with regard to the exchange of air traffic rights have been concluded, and whether or not those negotiations have resulted in an agreement?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I will take that as notice and answer on the next occasion.

EXTERNAL AFFAIRS

REQUEST FOR EARLY DEBATE

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Can the Prime Minister advise the house as to whether it is the intention to have a special sitting of the house at an early date to discuss international affairs, in view of the development of the intercontinental missile and the satellite, and their relationship to defence so far as Canada is concerned?

It is of the utmost importance now in the world, in my opinion, and surely the House of Commons ought to meet to consider it.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the opportunity to discuss that matter and all other matters will now be available when the speech from the throne is being discussed. Above everything else at the moment I desire to hasten at the earliest possible date the introduction of immediate and emergent legislation, such as cash advances on farm-stored wheat. For that reason at the moment I would suggest that anyone who has opinions on the subject of international affairs will have a full and complete opportunity to air them during the debate which will begin this afternoon. Then following the introduction of the emergent legislation—whenever we introduce the legislation in order to expedite it—and its being dealt with full consideration certainly will be given to setting aside a day or so for the discussion of international affairs, so important are they.

PUBLIC BUILDINGS

WINDSOR—INQUIRY AS TO PROGRESS OF NEW POST OFFICE

On the orders of the day:

Mr. D. F. Brown (Essex West): Mr. Speaker, may I direct a question to the Minister of Public Works. I regret that I have not given him notice of this question but probably he will take it as notice and give an answer at a later date. Having in mind the serious unemployment situation in the Windsor area, will the minister inform us as to the progress being made in the construction of the new post office in Windsor and why it is that the accommodation which has been acquired is now being offered for rent?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, there is a good deal of detail to obtain in order to answer this question in full. However, I believe there is some question of a portion of the property which was acquired being under a lease which does not expire until some time next year. We are making as much progress as we can but the situation which exists at the present time is entirely the responsibility of the previous government.

Mr. Brown (Essex West): Will the minister make further inquiry and give a more detailed answer at a later date?

Mr. Green: Yes. I will get the details for the hon. member.

DOMINION-PROVINCIAL RELATIONS

NEWFOUNDLAND—REPORT OF ROYAL COMMISSION ON REVISION OF TERMS OF UNION

On the orders of the day:

Mr. L. T. Stick (Trinity-Conception): Mr. Speaker, I should like to ask the Prime Minister (Mr. Diefenbaker) when he expects to receive the report of the royal commission on the revision of the terms of union between Canada and Newfoundland and whether, when he receives it, it will be tabled in the house.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, may I answer my hon. friend's question. The royal commission on the terms of union with Newfoundland concluded its sittings here in Ottawa one week ago today. The chairman of the royal commission indicated at the closing sitting that the royal commission hoped to be in a position to submit its report at an early date.

Mr. Stick: Will the minister table the report?

Mr. Fleming: In the ordinary course that will be done when the report has been received and has been made available by printing.

COMBINES INVESTIGATION ACT

PULPWOOD—PROGRESS OF REPORT OF INQUIRY

On the orders of the day:

Mr. Auguste Maltais (Charlevoix): Mr. Speaker, may I be permitted to ask a question of the Minister of Justice. I regret that I was unable to give him notice of this question. Maybe his answer will come later on. When may we expect the report with regard to the investigation which was started about a year and a half ago under the Combines Investigation Act into the sale of pulpwood in certain districts in the province of Quebec?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I thank the hon. member for his question. I will have inquiries made and will bring in an answer as soon as possible.

SEARCH AND RESCUE

INQUIRY AS TO ESTABLISHMENT OF CANADIAN COAST GUARD

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to direct a question to the Minister of Transport. Can the minister inform the house what steps, if any, the government has taken since assuming office toward the establishment of a Canadian coast guard?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I should like to take that question as notice and give an answer tomorrow.

LABOUR CONDITIONS

CANADIAN PACIFIC RAILWAY—INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, I wish to direct a question to the Minister of Transport. Can the minister give us any information as to the possible date of the report of the royal commission on the dispute between the railways and the union?

Hon. George H. Hees (Minister of Transport): May I ask the hon. member to what dispute he is referring?

Some hon. Members: Oh, oh.

Mr. Pickersgill: Perhaps the Minister of Labour could answer that question.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, if I may, I will answer the hon. member's question. As is known, this royal commission has been looking into the situation here and abroad. We expect a detailed written report by that commission towards the end of November.

SPEECH FROM THE THRONE

ADDRESS IN REPLY, MOVED BY MR. A. R. SMITH AND SECONDED BY MR. NEREE ARSENAULT

The house proceeded to the consideration of the speech delivered by Her Majesty The Queen at the opening of the session.

Mr. A. R. Smith (Calgary South): Mr. Speaker, it is in all humility that I rise in my place for the first time in this house to move the address in reply to the speech from the throne by Her Very Gracious Majesty. I do not suppose that anyone has, for a few years, walked into such an anticlimatical situation after such an interesting question period. I would assume, if I were so naive, that perhaps most of the questions for this coming session have now been asked.

In all humility and in all seriousness I should like to say how much I appreciate the invitation of the Prime Minister (Mr. Diefenbaker) to move this address. I recognize, of course, that this is an honour which is not bestowed on the individual but rather on the constituency that he represents. May I therefore say to him and to hon. members of this house, on behalf of the constituency of Calgary South, that I greatly appreciate this opportunity.

I think it can be said that we should not lose sight of the fact that there is today still in this house and in this national capital a feeling of extreme jubilation as a result of the opening of parliament for the first time by a reigning monarch. I suggest to you, Mr. Speaker, that there are not enough adjectives to describe the importance of this milestone in our Canadian history. I think it is difficult to do so without understating its significance. Can any man or woman who viewed the proceedings, either personally or through the magic of television, not say that this was one of the great emotional moments in his or her life?

Unquestionably it will be told and retold for generations to come that on that day of October 14, 1957, I saw Her Majesty Queen Elizabeth open the Canadian House of Commons.

I have said to myself what is it that makes this occasion so important to us? It is not, I suggest, just that it is another first for Canada, but rather that it binds this country into the senior membership which it occupies in the commonwealth. Great though the resources and reserves of this country are, I suggest that our greatest treasure is still that membership which we hold in the commonwealth of nations.

I would like if I may to pay my respects to certain members of this house. First to you. I realize that I am speaking as one Albertan to another, but no doubt the polished debonair manner which is to your credit is an earmark of your upbringing in eastern Canada. I suggest further that your compromising and friendly attitude is indeed the trademark of the fact that you were born in Red Deer, Alberta. I know that the members of this house join with me in congratulating you in your elevation to your high office.

I would like at the same time to congratulate Canada's Prime Minister (Mr. Diefenbaker). I believe that whatever else Canadians say of this generation they will certainly record that one of the greatest lessons in personal achievement has been taught in that this man from the soil of Saskatchewan has established in this country a reputation second to none. We are indeed, regardless of where we sit in this house, proud of the Prime Minister of Canada. I should like also to congratulate the members of his cabinet on their elevation to high office, and in spite of the suggestion that they might not occupy those offices, I believe they have done so very admirably.

May I be presumptious enough to congratulate the new members of this house upon their election, like myself, for the first time. I can tell them now from some personal experience that the terror which overcomes you in contemplating your maiden speech, after you are on your feet reduces itself to straight fear. Speaking as one rookie to another I would like to say that each and every one of you may be assured that regardless of where you sit each one of us will be in your cheering section.

I would now turn to the business of this house and, in particular, to the assignment that has been given to me this afternoon. I think it is an accepted part of tradition that the mover of the throne speech compliment the government on its legislation as outlined in the throne speech. Let it be clearly understood by those who might be disappointed that I shall not do otherwise, that I intend to do exactly that.

It is a fact that the majority of these were the policies or the outline of a program which a very substantial number of Canadian people recently endorsed, as a matter of fact as recently as June 10 last. I am happy to see that Canada will play an important part in

the shaping of world affairs and will continue to work toward the objective of everlasting peace. I agree that the best way of achieving this is through the tools of the Colombo plan, and otherwise through economic preparedness or economic persuasion or military preparedness. I believe that our participation in the United Nations is essential, in spite of the severe constitutional limitations of that fine organization.

I believe that this parliament will certainly welcome the government's intention of improving the lot of our senior citizens and of course the recipients of war veterans allowances. These fixed income groups, I suggest, are the real victims of our inflated economy. The diminishing value of our dollar has affected all of us, but far more severely has it affected those whose income is now almost entirely depleted. It is therefore, I believe, essential that one of the first considerations of this or any government should, in recognition of services past rendered be directed to those who have made this present prosperity so general for us.

As an Albertan I am naturally happy to learn that the government intends to provide a stimulant for our farm economy and that measures will be taken to greatly stabilize our agricultural products.

In assessing farm income there appears to be only one real question of debate and that is the question of urgency. I would suggest that if you examine one province, as an example Alberta, you will recognize that this urgency is indeed very real. I think that this can best be reflected by the number of bankruptcies which have occurred amongst our country merchants. I do not care whether he be a bulk oil salesman or a general store merchant, the fact of the matter is that many of the individuals who are so much a part of our integrated farm economy have had their credit extended to such a point that in many instances they are no longer able to carry on business, except of course on a cash basis. I believe that this is the real barometer by which to determine the state of the shortage of cash income in Canadian farming communities.

There will be, I suggest, a great many members in this house who have served either on municipal councils or in provincial legislatures, as it has been my privilege to do, and I am certain they will join with me in welcoming the announcement of the government's intention to call together the provinces for a dominion-provincial conference. There can be no question in our minds that many of the problems which heretofore have existed can, to some extent, be resolved through such a meeting.

I would like to suggest, and I do so in all seriousness that at some future meeting consideration be given to inviting Canada's municipalities to join in such a discussion. As an example, the Canadian federation of mayors and municipalities could in my view make some contribution to a meeting of this nature because I believe that, after all, many of the definitions of inter-related responsibilities between the three levels of government were written nearly ninety years ago and in this modern economy have now to some extent become outmoded. I think it is a regrettable factor, and those who have served on municipal councils will agree, that many of our municipalities are looked upon as the poor relations in Canada's federation of governments. I believe that this group could make a useful contribution in assisting in the redefining of the division of taxation policies and municipal services and I would hope that this could be done in the not too far distant future.

There is a 13-word announcement in the speech from the throne which says little but which has broad implications. It has been referred to already in this house today; I refer to the proposed changes in the taxation structure which will be submitted for our approval. It is of course obvious that these changes cannot be announced in detail at this time, but speaking for my own constituents I hope that after provision has been made for the primary needs of individuals the taxation authorities will also give consideration to providing incentive relief or incentive encouragement to Canada's developing industries.

More specifically, I believe the Canadian independent oil producers have asked that they should be given the same encouragement for the development of our oil and gas resources as the United States government provides for United States companies which are in competition with our companies in Canada.

Finally, I congratulate the government on its proposal to initiate a national development program. If Canada is to enjoy national unity there can be no question in this house but that we should all participate equally in the national prosperity. Towards this end I believe the economic development of the Atlantic provinces, the construction of the South Saskatchewan river dam and the Columbia river project are all sound investments which will strengthen the Canadian economy immeasurably.

While on this subject may I suggest to the government that a national development policy might well at some future time include a stock-taking of Canada's natural resources. It is not purely by accident that

many of Canada's provinces have been led to conduct an examination or assessment of their reserves of natural wealth. I believe that in order to assess the policies which should govern conservation it is important we should know what resources we have before we know what we can utilize or what we can preserve. I may say that in the province of Alberta—and I was a member of that legislature at one time—we assessed those resources and in consequence were able to develop conservation practices which have been in the interest not only of industry but of the people as a whole.

I believe that through the office of geological survey of this country—though I realize there may be legislative problems involved as between the federal government and the provinces—important results can be achieved. If we could do no more than provide the incentive and the encouragement for those provinces we would be doing a service of importance toward the development of our resources. The United States, if I may refer to this as an example, conducted a survey a few years ago. We in Canada are now described by foreign editorial writers as the country most likely to succeed and although time is still on our side I believe we cannot delay too long before such an undertaking as I have suggested is considered.

Having discussed the business which is to come before this house I believe it is in keeping with the traditions of the address in reply to the speech from the throne that I should say something about the constituency which I have the honour to represent. However, I do not intend at this point to take up any time in extolling the virtues of Calgary. It would indeed be a discourtesy to the city that I represent to have it suggested that those virtues were not well and widely known. I have, with your permission, taken the opportunity to provide every hon. member with a brochure on the advantages of being a Calgarian which I hope will now be in their mail boxes.

What I would prefer to do is to tell you in just a word or so, about one of the economic problems which today concerns not only my constituents and the province from which I come but which will shortly concern the whole Dominion of Canada; it may even, possibly, make the debates on natural gas of a year ago seem like a Sunday school picnic. I refer to the marketing of Canadian oil. Before I began my speech I was not aware of the setting up of a commission which the Prime Minister has announced, but no doubt the commission can also consider this problem during its deliberations.

[Mr. Smith (Calgary South).]

It is perhaps well known to this house that Canada produces on an average 500,000 barrels of oil a day—I shall be very brief and shall use very few statistics—we could, in fact, produce almost double that amount. Of the amount presently produced we export approximately one-third to the United States. We could, in certain circumstances, capture the vast Montreal outlet which represents some 200,000 barrels a day, but unfortunately economic circumstances such as the low replacement costs of Venezuelan imports, the difference in tariffs and the distance over which the oil has to be transported have combined to make it economically impossible for us to do so at the present time, and we as western producers appreciate this fact.

Recently a committee under the direction of the President of the United States exempted temporarily the area in the Pacific northwest of the United States, into which Canada today exports, an exemption which involves one-third of the total exports and which represents an important part of the life and breath of this western industry. I suggest to you that these exports could be cut off tomorrow. Therefore I am urging as strongly as I can that this government give consideration to the policies I have mentioned, or to any other means it might consider desirable, such as a meeting at top level with United States government officials or their counterparts, to discuss the oil reserves which we have in common today, so that the Canadian western oil industry and the Canadian market is not kept in a continued state of suspense. I am asking no more than that we should have a top level discussion of this problem so that we may know in what general direction we are moving.

I recognize that this is a relatively new problem to confront this very fine new government but I put it on record as one which we will have to consider in the near future.

I, like some of my friends, have experienced this Asian variety of 'flu, and I know I have rambled on long enough and that I have taken just about every privilege which a new member is entitled to take in the circumstances. I do appreciate very much the opportunity which has been given me, as a new member today. I appreciate the courtesy which hon. members have extended to me in this initial offering. I recognize, too, that a future intervention in debate might not be considered with exactly the same courtesy.

I would like to close on this note: Many hon. members will remember a gentleman of the same name as myself who sat before

me in this house not too many years ago and perhaps I may say before resuming my seat what he said to you:

If when I leave this house I can feel that I have made a friend of every one of you, I feel that these years have been worth while.

I think you will agree, that I can set no higher objective for myself.

With these rather rambling remarks, and expressing once again the pleasure that the occasion has been to me, it is my great pleasure to move, seconded by the hon. member for Bonaventure (Mr. Arsenault):

That an humble address be presented to Her Majesty the Queen in the following words:

To The Queen's Most Excellent Majesty:—

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the Commons of Canada in parliament assembled, beg leave to offer our humble thanks to Your Majesty for the gracious speech which Your Majesty has addressed to both houses of parliament.

(*Translation*):

Mr. Neree Arsenault (Bonaventure): On this memorable occasion of the opening of the first session of a new federal government in our Canadian capital, Mr. Speaker, I am most appreciative of the tokens of esteem and confidence with which the right hon. Prime Minister (Mr. Diefenbaker) has honoured me by asking me to second the address in reply to the speech from the throne. It is definite evidence of the right hon. Prime Minister's interest in the people of my riding, of the province of Quebec and of the whole of French Canada.

It is therefore with pride and gratitude that I second the address so ably moved by my colleague from Calgary South (Mr. Smith).

(*Text*):

It is a great honour for me to congratulate the hon. member for Calgary South (Mr. Smith) who gave in this House of Commons so magnificent a report on the speech from the throne. In so doing he honoured greatly his father who was formerly one of the most eminent members of the Conservative party. I understand how proud his riding of Calgary South is of him as its member.

(*Translation*):

The 40,000 Canadian citizens who make up the population of the constituency of Bonaventure join unanimously with me today in expressing their gratitude to the federal authorities. They are proud to be part of this Canadian people which has been so highly honoured this year by the presence among us of our gracious Queen.

In returning me as their member, in the last general election, my constituents put upon my shoulders the pleasant though necessary duty of explaining to the house their present economic situation and their urgent needs.

The constituency of Bonaventure has an area of about 4,000 square miles, and its needs are similar to those of the neighbouring constituencies of Gaspe, Matapedia, Rimouski and Temiscouata. Together these five constituencies are larger in area than the province of New Brunswick.

It means that our Gaspe peninsula takes on the character of a province, and I hope that this small country of mine within Canada will soon enjoy under a Progressive Conservative government, the necessary economic development which will enable its people to share in the economic prosperity now enjoyed by the Canadian nation in general.

Statistics show that, in my constituency of Bonaventure, the standard of living is much lower than in constituencies bordering on industrial centres. While the Gaspe peninsula, which includes the constituency of Bonaventure, is the oldest part of this area, it has not prospered at the same rate as the country as a whole.

Over the past sixty-seven years my constituency has always been represented by Liberal members, and during all those years that part of the country has reaped neglect. And yet it lies at the very gates of a highly efficient river outlet, calculated to promote economic development, owing to the proximity of European and American markets. Unfortunately, none of our natural seaports, any more than our railway services were adequately developed.

Moreover, censuses bring out the striking fact that our population is decreasing. Instead of growing at the normal rate expected of a sturdy and hardy stock, our human capital is less than it was. Year after year, the percentage of the rural population is declining. Our agricultural organizations had hoped to prevent a second dispersal of our Acadian sons; alas, the exodus of young farmers and settlers who are forced to go elsewhere to earn a living is on the increase. How many boys and girls of my constituency have scattered all across the country and even across the border! They have not definitely quit their native village for they still hope that better conditions may allow them to return home.

I greet those thousands of Gaspesians on behalf of their brothers who are still awaiting their return. However, this evil which affects our Gaspesian population is not confined to eastern Quebec; its ravages extend as well to other parts of our province.

The cause of this evil is that, in seeking to promote the development of eastern Quebec, emphasis has been laid chiefly on the agricultural angle. No attempt was made to integrate in our economy the necessary share of related industrial developments. The consequence of this mistake has been that, since there were no markets for our agricultural production, it has been impossible to deter our young men from the ever enticing appeal of an easy life in the cities. The development of industry, of our mines, our forests and our fisheries has been neglected, as well as the decentralization of industries centred around great cities in order to open nearby markets to our complementary agricultural production. There has been failure to provide the farmers of my area with adequate cold-storage facilities for the conservation of their green vegetables. Yet, the natural resources, the vast forests and the mines of the Gaspe peninsula, and its oil prospects should have led to the conclusion that full development was necessary. No solution has been forthcoming to our purely local problems. If, at least, the fiscal rights of the provinces had been respected, I am sure that this gap would have been filled long ago.

One of the main natural resources of the Gaspe peninsula is the forest. In my own constituency, millions of cords of wood are going to waste, with the consequent loss to the county of millions of dollars in revenue. Instead of marketing thousands of tons of paper or millions of feet of lumber, we are still content with spending millions of dollars in fighting insect damage in forests which are too old and which should have been properly cultivated. In the first place we should therefore heed the advice of experts especially when they point out the basic causes of the depression in the lumber industry and of the loss of national or international markets. We must also call upon the knowledge of economists to ensure better prospects for our lumber markets.

These markets will be improved by better means of transportation.

It would be a good thing if our seaways were kept open all year round in eastern Quebec, even as far up as the port of Quebec. The operation of a few ice breakers during the four winter months could well ensure uninterrupted shipping on the St. Lawrence. Business men could then take an interest in developing our natural resources and would thus pay into the treasury the taxes required for the implementation of social welfare legislation. Railways and sections of the Trans-Canada highway should also contribute to our economic expansion while making a necessary contribution to the defence of this vulnerable part of our country.

[Mr. Arsenault.]

I should like to point out here the urgent necessity of providing the area of the Gaspe peninsula and that of the north shore of the St. Lawrence with railways which would promote the development of mining and forest industries.

I know that under this Conservative administration, the Prime Minister and the members of his cabinet will do their utmost to remove the difficulties which in the past have prevented the normal economic development of the eastern part of our country.

These few suggestions which a Canadian observer has been allowed to offer to this distinguished audience representing all parts of Canada would be pointless if they were not intended for a real Canadian of the highest distinction, that is the Right Hon. Prime Minister.

On behalf of all my constituents, I am glad to congratulate him for his accession to the function of Prime Minister of Canada. It is neither due to mere chance, nor the result of pure electoral conventions if a people such as ours chose him to guide its destinies: it is because he deserved it on all counts.

A professional man, a lawyer of great reputation, whose character enhances all his deeds, an untiring worker, he has, ever since he has represented Lake Centre and Prince Albert constituencies in this house, managed to earn the respect of the élite of all the people of Canada. The present Prime Minister of Canada rightly deserves the confidence, the respect and the admiration of the whole country.

Three months only of his present term of office have earned for this great statesman the highest praise and honours of a press which always keeps a watchful eye on the doings of those who hold high political office. When he takes part in discussions, whether it be in London, with the Commonwealth prime ministers, whether it be with the diplomats of the great American republic, or at the table of the United Nations, the right hon. Prime Minister commands attention by the loftiness of his views and the accuracy of his predictions.

All those qualities are manifest, beyond any doubt, in the plans outlined in the speech from the throne.

This house will be called upon to deal with matters which are both national and international in their scope.

In the international sphere, the preparation of a Commonwealth conference is expected, as well as the carrying on of the Colombo Plan, the active participation in the North Atlantic Treaty Organization and the co-operation promised to the United Nations.

Then, in the national field, we shall be called upon to amend our social legislation, first by increasing the old age pension, as well as the assistance to the blind and the disabled; moreover, there will be a revision of the help given veterans, and other social bills affecting industrial workers under federal jurisdiction.

In the national field also, a federal-provincial meeting for the study of taxation is being contemplated.

In regard to farmers, this government will consider the possibility of stabilizing the prices of their products, and it will study new and old markets for these same products. Prairie farmers will enjoy cash advance payments on their grain production. Ways and means of creating additional markets for the produce of our fisheries will be considered.

As to local matters, the speech from the throne states that means will be sought to provide cheaper electric powers for consumers in the Atlantic provinces; a power project on the South Saskatchewan river will be looked into, as will be the harnessing of the Columbia river for British Columbia. Some railway developments will also be submitted to this house.

Finally, we shall be asked to vote a budget to provide for the administration of this country until the end of the current fiscal year as well as certain changes in the taxation laws.

We shall all work in the same spirit for the prosperity of Canada. We are two great races. We have similar problems and, in following the advice given by our Sovereign in Her message to the Canadian nation, we shall show how proud we are of being Canadians.

(*Text*):

Mr. St. Laurent (Quebec East): Mr. Speaker, I rise merely to comply with the suggestion made yesterday by the Prime Minister that after the mover and seconder of the address had spoken the debate be adjourned until tomorrow, and I beg leave to move that it be thus adjourned.

On motion of Mr. St. Laurent (Quebec East) the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, may I ask the government leader what the order of business for tomorrow will be?

Mr. Green: We shall continue with this debate tomorrow.

On motion of Mr. Diefenbaker the house adjourned at 4.05 p.m.

HOUSE OF COMMONS

Wednesday, October 16, 1957

The house met at 2.30 p.m.

INDUSTRIAL RELATIONS

PROVISION OF ANNUAL VACATIONS WITH PAY FOR EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. 2, to provide for annual vacations with pay for employees.

He said: Mr. Speaker, the purpose of this bill is to provide for two weeks' annual vacation with pay after one year's service for all employees who come under federal labour jurisdiction. This bill is exactly the same as the one I have introduced on former occasions and which has had the support of hon. members opposite when it came to a vote. I trust if there is a government bill in the same field it will be at least as good as this one.

Motion agreed to and bill read the first time.

PROVISION OF STATUTORY HOLIDAYS WITH PAY FOR EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. 3, to provide for pay for statutory holidays for employees and for pay for work performed on statutory holidays.

Some hon. Members: Explain.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the purpose of this bill is to provide that all employees in Canada who come under federal labour jurisdiction shall receive their regular pay for at least eight statutory holidays each year without having to work on those holidays. It also makes provision for overtime rates of pay for any employees who are required to work on statutory holidays.

Motion agreed to and bill read the first time.

PROVISION OF MINIMUM RATE OF WAGES FOR EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. 4, to provide for minimum wages for employees.

Some hon. Members: Explain.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the purpose of this bill is to establish a minimum rate of wages with respect to all employees in Canada who come under federal labour jurisdiction. This bill provides that such minimum rate of wages shall be $1 per hour. The bill also provides that its terms do not affect any employees whose rate of wages is higher than the minimum established by this legislation. However, any rate of wages less favourable to employees than $1 per hour is superseded by this bill.

Motion agreed to and bill read the first time.

AMENDMENT OF CHAPTER 152, REVISED STATUTES OF 1952—VOLUNTARY REVOCABLE CHECK-OFF OF UNION DUES

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. 5, to amend the Industrial Relations and Disputes Investigation Act (voluntary revocable check-off).

Some hon. Members: Explain.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the purpose of this bill is to add a new subsection 3 to section 6 of the Industrial Relations and Disputes Investigation Act, otherwise known as the national labour code. The effect of this new subsection is to provide for the voluntary revocable check-off of trade union dues.

Motion agreed to and bill read the first time.

CANADA ELECTIONS ACT

EXTENSION OF RIGHT TO VOTE AT ADVANCE POLLS

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. 6, to amend the Canada Elections Act (voting at advance polls).

Some hon. Members: Explain.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the purpose of this bill, which is similar to one which I have presented in former sessions, is to make provision for the privilege of voting at advance polls in federal elections to be extended to any qualified elector who finds that he will be absent from his polling division on the ordinary polling day for any reason whatsoever.

Motion agreed to and bill read the first time.

INCOME TAX ACT

AMENDMENT RESPECTING COMMUNICATION OF INFORMATION

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. 7, to provide for an amendment to the Income Tax Act with respect to communication of information.

He said: Mr. Speaker, the purpose of this bill is to remove, in part, the secrecy provisions contained in the Income Tax Act with respect to income tax returns of corporations. This bill will make it possible for information contained in corporation income tax returns to be communicated to parliament by a minister.

Motion agreed to and bill read the first time.

AMENDMENT TO PROVIDE FOR HEARING OF CORPORATION APPEALS IN PUBLIC

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. 8, to provide for an amendment to the Income Tax Act with respect to corporation appeals.

He said: Mr. Speaker, the purpose of this bill is to make an amendment to the Income Tax Act having to do with appeals taken by corporations to the income tax appeal board. No change is made in the provision for appeals to the board by individuals to be heard in camera, if so desired, but this bill would make it necessary for all appeals made by corporations to the income tax appeal board to be heard in public.

Motion agreed to and bill read the first time.

FINANCIAL ADMINISTRATION ACT

AMENDMENT TO PROVIDE FOR PRINTING OF NEGOTIABLE INSTRUMENTS IN BOTH ENGLISH AND FRENCH

Mr. Raoul Poulin (Beauce) moved for leave to introduce Bill No. 9, to provide for an amendment to the Financial Administration Act with respect to the use of the two official languages.

He said: Mr. Speaker, the purpose of this bill is to provide that cheques, postal orders, money orders and any other similar remittances of any department or of any crown corporation shall be printed in both the official languages. This is in accordance with the principle established in the Bank of Canada Act.

Motion agreed to and bill read the first time.

[Mr. Knowles (Winnipeg North Centre).]

CANADIAN WHEAT BOARD ACT

AMENDMENT TO BRING FLAX AND RYE UNDER JURISDICTION OF BOARD

Mr. E. G. McCullough (Moose Mountain) moved for leave to introduce Bill No. 10, to amend the Canadian Wheat Board Act to provide for jurisdiction in the handling of flax and rye.

He said: Mr. Speaker, the purpose of this bill is to amend the Canadian Wheat Board Act. At the present time the Canadian wheat board has jurisdiction over the handling of wheat, oats and barley. The effect of this amendment will be that the wheat board shall have included in its jurisdiction the handling of flax and rye.

Motion agreed to and bill read the first time.

(*Translation*):

EMERGENCY GOLD MINING ASSISTANCE

INQUIRY AS TO AMENDMENT TO ASSIST EXPLORATION

On the orders of the day:

Mr. Armand Dumas (Villeneuve): Mr. Speaker, I should like to direct a question to the Minister of Mines and Technical Surveys. Is it the government's intention to introduce amendments to the Emergency Gold Mining Assistance Act during the present session, in order to provide more substantial assistance?

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, quite recently, the Minister of Finance (Mr. Fleming) and myself have received a delegation from the Canadian Metal Mining Association. The officials of my department are at present reviewing the suggestions and recommendations then made to us. As soon as those officials have submitted their report, we will make it available to the members of the cabinet.

(*Text*):

LABOUR CONDITIONS

CANADIAN NATIONAL RAILWAYS—FEDERAL ASSISTANCE WITH RESPECT TO LAY-OFFS

On the orders of the day:

Mr. Henry Murphy (Westmorland): Mr. Speaker, I would like to ask a question of the Minister of Transport. What funds were made available by the federal government to finance a special works program by the Canadian National Railways to ease the lay-offs at Moncton and other points, and under what authority were these funds so made available?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, the government undertook to make available such funds as would be required to undertake such a works program, but for one reason or another the works program was not able to be started and the funds were not required.

Mr. Murphy (Westmorland): A supplementary question, Mr. Speaker. Am I to understand then that nothing has been done to prevent these lay-offs?

Mr. Hees: The answer to that question is that the offer of the government to make the funds available, and the offer of the Canadian National Railways to carry out such a program, are still open.

Mr. Murphy (Westmorland): May I ask a further supplementary question. Does the minister still consider the recent Canadian National Railways lay-offs at Moncton as deplorable and unnecessary, as he was quoted as saying in the Moncton *Times* concerning similar lay-offs two years ago when he visited Moncton in a similar situation?

Mr. Hees: That is a very easy question to answer. Any lay-offs are deplorable and regretted by the government, as I am sure they are regretted by all Canadians, but lay-offs have to take place from time to time.

UNEMPLOYMENT—INQUIRY AS TO GOVERNMENT ACTION

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like to ask the Minister of Labour this question. Is the government aware of the rapidly growing unemployment problem? If so, what is the government planning to do about it?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, we are aware that there will be seasonal unemployment this winter. We have stepped up our winter program to take care of winter unemployment. We have also advised our national employment service offices to step up their tempo in obtaining jobs for people as soon as they become unemployed. I might say also, on behalf of the government, that we have curtailed for the balance of the year the influx of immigrants which swelled our total labour population. In addition we have channelled $150 million into our economy for the construction of houses. These are the things the government has done so far in order to cope with unemployment this winter.

Mr. Regier: May I ask the minister a supplementary question. Did I understand the minister to say, by implication at least, that the August unemployment figures are in any way to be classed as seasonal?

Mr. Starr: No, the hon. member did not ask me that question and I made no mention of any August unemployment figures.

Hon. George C. Marler (St. Antoine-Westmount): May I ask a supplementary question of the Minister of Labour. He has just spoken of the sum of $150 million which has been made available for housing. Can he tell the house how much of that $150 million has actually been disbursed?

Hon. Howard C. Green (Minister of Public Works): This comes under the Department of Public Works. I have not had a report yet for last week, but as of the week before that I think there had been some $20 million committed and about $80 million earmarked. Mind you, that might not all be taken up in loans, but I think very nearly that figure of $80 million would be required. I have no doubt that the figures now, a week later, are a good deal higher, but unfortunately I am not able to give them to the hon. member today.

NEW BRUNSWICK—UNEMPLOYMENT FIGURES FOR 1956-57

On the orders of the day:

Mr. Wesley Stuart (Charlotte): I should like to direct a question also to the Minister of Labour. How many are registered as unemployed in New Brunswick at this time, particularly in the Campbellton area—

Some hon. Members: Order, order.

Mr. Stuart (Charlotte): —and how do those figures compare with last year?

Hon. Michael Starr (Minister of Labour): I have not that information available, as I am not able to carry it in my head, but if the hon. member wants that information I shall be glad to convey it to him.

AGRICULTURE

INQUIRY AS TO CHANGES IN SUPPORT PRICES

On the orders of the day:

Right Hon. J. G. Gardiner (Melville): Mr. Speaker, I would like to ask a question of the Minister of Agriculture. Has there been a change since the government took office in the support prices provided for by the Agricultural Prices Support Act of 1944 on any of the farm products, and if so, what change?

Inquiries of the Ministry

Hon. Douglas S. Harkness (Minister of Agriculture): Mr. Speaker, I would like to thank the right hon. gentleman for having informed me a few minutes ago that he was going to ask this question. The answer is that there has been no change in the support prices which were in effect when the present administration took over. Since that time, however, two further agricultural products, turkey and fowl, have been placed under price support.

BUTTER—INQUIRY AS TO GOVERNMENT ACTION ON PRICE INCREASE

On the orders of the day:

Mr. Jacob Schulz (Springfield): May I ask the Minister of Agriculture what is the intention of the government with regard to the condition existing in the butter market today, whereby the retail price of butter has increased by approximately 10 cents a pound in the last two months while the price of butterfat has increased by less than half that amount?

Hon. Douglas S. Harkness (Minister of Agriculture): I should like to thank the hon. member for having given me notice of his intention to ask this question. In reply I may say that during the last couple of hours I have had a check made of the market prices of butter at the wholesale level in several of the important markets in Canada. The information I have received from these markets does not bear out the statement made by the hon. member.

The prices at Winnipeg on August 3 for butterfat were 60 cents per pound and on October 12, 62 cents per pound. In other words there was an increase of only 2 cents. The price at Toronto on the same dates, August 3 and October 12, were 64 and 66 cents per pound for butterfat. The wholesale prices of butter at Winnipeg on August 3 and October 12 were 60 cents and 61 cents per pound respectively. In other words there was an increase of only 1 cent per pound. At Toronto the prices on these same dates were 60½ cents and 62 cents, an increase of only 1½ cents per pound. I might say, Mr Speaker, that if any action were to be taken in regard to controlling the price of butter at the retail level, the responsibility would rest on the provinces.

Some hon. Members: Oh, oh.

Mr. Harkness: That is right; the dominion government has no means at the present time of controlling the retail price of butter.

Mr. Gardiner: Mr. Speaker, may I ask a further question of the Minister of Agriculture. Is it not true that there was a support price on fowl prior to the election, and has there been any change made in that regard since?

Mr. Harkness: No, Mr. Speaker. The previous administration had passed an order in council which would have made effective price support on fowl some time, I believe, in the present month of October.

Mr. Gardiner: August 1st.

Mr. Harkness: August, was it? The first of August. We placed fowl under price support in July.

SHIPPING

REFERENCE TO CONSTRUCTION OF CANADIAN MERCHANT MARINE

On the orders of the day:

Hon. James Sinclair (Coast-Capilano): Mr. Speaker, may I ask the Minister of Public Works when the government intends to begin construction of a Canadian merchant marine, which they so frequently promised to do during and after the election?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, that question really should be addressed to the Minister of Transport. As the hon. member for Coast-Capilano very well knows, this is a matter of government policy which will be announced in due course.

COASTAL TRADE—STATEMENT ON REPORT OF ROYAL COMMISSION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): The hon. member for Laurier (Mr. Chevrier) asked this question yesterday at page 15 of *Hansard*:

> May I ask the Prime Minister a question. Can he tell us when the report of the royal commission on coastal shipping will be handed down?

At that time I said:

> I cannot right offhand. I will make inquiries and at the next session of the house I will give an answer to my hon. friend.

The chairman of the royal commission on coastal shipping has advised that the report of the commission is in course of preparation but it is not expected that it will be completed for presentation until near the end of the year.

DISCUSSIONS CONCERNING DEEP SEA FACILITIES AT LAKEHEAD

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to address this question to the Minister of Transport. What plans has the minister

for assuaging the feelings of the Port Arthur city council regarding the minister's initial decision to send only minor departmental officials to confer with the council about deep sea shipping facilities at the lakehead?

Hon. George H. Hees (Minister of Transport): In the first place I feel sure that the feelings of the Port Arthur city council do not need any assuaging, because when I went to the lakehead some few weeks ago I was received very cordially by the officials of both Port Arthur and Fort William. Since that time I have discussed this matter with my colleague the Minister of Public Works. As a result of these discussions, officials, not minor officials but senior officials, of both departments will go to the lakehead next Monday to examine the harbour facilities to ascertain if they are adequate, in their opinion, to handle such extra traffic as could reasonably be expected to arise when the St. Lawrence seaway is completed.

A survey will be carried out from an engineering point of view. Following that survey, a thorough study from the economic point of view will be carried out by the economics section of my department in order to ascertain just what additional traffic might be expected to pass through to the lakehead as a result of the completion of the St. Lawrence seaway.

HOUSE OF COMMONS

INQUIRY AS TO SETTING UP OF VETERANS AFFAIRS COMMITTEE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise to make a kindly inquiry of my former colleague on the parliamentary committee on veterans affairs. Both our hearts beat as one on this question. In view of the fact that for 12 years the minister did urge the former government to establish a standing committee on veterans affairs, could the minister tell the house when the government of the day proposes to move for the establishment of such committee?

Hon. A. J. Brooks (Minister of Veterans Affairs): Mr. Speaker, I wish to thank my colleague the hon. member for Kootenay West for his very kindly remarks. We have been interested, of course, for years in setting up a standing committee on veterans affairs, and I can assure him and the house that the matter is receiving consideration. If such a committee is in the best interests of veterans legislation it will be done.

Mr. Gauthier (Portneuf): If, if.

Inquiries of the Ministry

REPORTED OFFER OF SPEAKERSHIP TO HON. MEMBER FOR WINNIPEG NORTH CENTRE

On the orders of the day:

Mr. Irvin Studer (Swift Current-Maple Creek): Mr. Speaker, I should like to address a question to the Prime Minister. Is it true that the Prime Minister has requested the socialist member for Winnipeg North Centre (Mr. Knowles) to be the permanent Speaker of this House of Commons? If there has been any correspondence on the subject I would ask that copies of it be tabled.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I answer that first categorically. No; there was no offer to the hon. gentleman to be permanent Speaker. I am one of those who believe that action should be taken, having regard to what took place in the last two or three sessions, to bring about a degree of authority in the Speaker that would be above partisan consideration. During the election campaign and prior thereto I pointed out that one of the matters that deserved consideration was the appointment of a permanent Speaker and, if possible, when that unanimity of opinion could be secured in the House of Commons, to bring about permanence in the speakership. However, that has not been achieved, in order to place the speakership above the importunities of anyone in this house, and in order that the Speaker would never in the future, during this parliament, be in any way considered to be, or placed in, the unenviable position in which those who now sit opposite to us placed the former Speaker.

The hon. gentleman mentioned the hon. member for Winnipeg North Centre. There was no offer of a permanent speakership in any way inherent in the offer. What I said was this, and I will table the correspondence if my hon. friend is willing and if he expresses his willingness now. I asked the hon. member whether, because of the fact that he was regarded as an authority on parliamentary rules, he would allow me to place his name in nomination; and if he were chosen by the House of Commons, would he accept the appointment. That is the total and summary answer to my hon. friend.

[*Later:*]

Mr. Speaker, I do want to make clear one thing that may not have been clear in my earlier remarks. I am very anxious to table these two letters. It has been agreed by my hon. friend from Winnipeg North Centre (Mr. Knowles) that they should be tabled, and with your permission it can be done at once.

Inquiries of the Ministry

THE CANADIAN ECONOMY

REFERENCE TO APPOINTMENT OF ROYAL COMMISSION ON ENERGY

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I ask the Prime Minister a question of which I have already given him notice. Having regard to the establishment of the royal commission on energy and sources of energy announced by the Prime Minister yesterday, may I ask him these two questions.

Do the terms of reference include a study of the power to be developed by the Hydro Electric Power Commission of Ontario and the New York state power authority in the international rapids section of the seaway as well as the power now under development, or to be developed, in the Soulanges and Lachine sections of the St. Lawrence river? If not, will the government give consideration to enlarging the terms of reference so as to include these three areas of development?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I did not have the notice to which the hon. member referred, no doubt because of my absence on other duties this morning. However, I think the terms of reference speak for themselves and it is not for me to make an interpretation as to the meaning of those terms, because I think they are all-comprehensive. Nevertheless, if when the commission is constituted it is deemed advisable or necessary to amplify the terms of reference in accordance with the suggestion of my hon. friend, then consideration will be given to amplifying the powers.

NATURAL GAS

ALLEGED SALE IN U.S. AT PRICES LOWER THAN IN CANADA

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I desire to direct a question to the Minister of Justice. Is it the government's intention to institute by order in council or otherwise any legal action against the Westcoast Transmission Company for having entered into a contract under which they are now supplying natural gas to United States distributors at a lower price than that granted to distributors in British Columbia, which contravenes the regulations made under the authority of a statute of this parliament?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I was not aware that anything in the nature of an offence which would form the basis of a prosecution had taken place. I shall be glad to have that matter checked further to make certain I am correct in my understanding. I would imagine, however, that in any event this would be one of the sort of problems that would require the urgent consideration of the royal commission announced yesterday by the Prime Minister.

Mr. Winch: Could I ask a supplementary question, Mr. Speaker, in view of what the minister has said with regard to this being one of the problems likely to receive the urgent consideration of the royal commission. This is an act of parliament already established that has been contravened. Why does the minister think it necessary to wait for a royal commission to study the question of the contravention of an established act of parliament before he is prepared to take any action?

Mr. Fulton: I may say to the hon. member that, as is his custom, he has jumped to conclusions not warranted by the words used. I have already told the hon. member that I will examine the matter immediately and see if in fact there be such a contravention, and I said further that this was one of the sort of problems which in addition would be studied by the royal commission announced yesterday.

TRADE

REQUEST FOR STATEMENT ON RECENT CONFERENCES

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to ask the Minister of Finance a question. In view of his ready and kind agreement yesterday to make a statement as early as possible on the United Kingdom proposal with regard to free trade between Canada and the United Kingdom I should like to ask him if he proposes to include in that statement some reference not only to the Mont Tremblant conference, which he said yesterday he would willingly do, but if he would also make some reference—in fact make a complete report—on the recent conferences of Canadian and United States ministers in Washington; and also if he would be good enough to include in that report the very important proposal made by the Prime Minister of Canada not at the prime ministers' conference in London but to the members of the press gallery immediately upon his return from England.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I can assure the hon. gentleman that it will give me a great deal of pleasure to make the report he has asked

for and to see that it covers all the points he has put forward today. I hope he will enjoy receiving the report as much as I will enjoy offering it to him.

[*Later:*]

On the orders of the day:

Mr. J. H. Harrison (Meadow Lake): Mr. Speaker, I would like to address a question to the Prime Minister. In view of the Prime Minister's often expressed desire to remove trade barriers between Canada and Great Britain and to increase trade between the two countries, does he intend to seize on Britain's recent offer of free trade and bring to the farmers of the west the ability to buy in the same free market in which they are forced to sell?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, that whole matter will be covered by the Minister of Finance when he speaks, but I think the hon. member should certainly be commended. For 22 years he has been silent about it, and suddenly he has taken an interest.

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, will the Minister of Finance be rather more prepared when he makes that statement than he was at the meeting at Mont Tremblant?

Mr. Fleming: Mr. Speaker, I hope I will satisfy the hon. member and the house with the statement I have been asked to make by the hon. member for Essex East (Mr. Martin), that it has been properly prepared, in the same adequate manner as were the preparations made on behalf of the Canadian government for representation at Mont Tremblant.

Mr. Harrison: Mr. Speaker, I do not think the Prime Minister answered my question. I asked if he was going to seize on the offer of Great Britain.

Mr. Wesley Stuart (Charlotte): Mr. Speaker, I should like to ask a question supplementary to that asked by the hon. member for Meadow Lake (Mr. Harrison). I should like to ask the Prime Minister if he knows of any occasion in the past 22 years when a Liberal government sitting in this house was offered to deal with Great Britain in so far as free trade was concerned?

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Ask your friends.

Mr. Stuart (Charlotte): A supplementary question, Mr. Speaker. I would like the Prime Minister to tell me if he knows of an occasion when Great Britain offered this country a free trade agreement with them.

Inquiries of the Ministry

REPORTED PROPOSAL TO ESTABLISH COMMONWEALTH FREE TRADE AREA

On the orders of the day:

Mr. Lucien Cardin (Richelieu-Vercheres): Mr. Speaker, would the Minister of Finance comment on the report that appeared in the October 14 issue of *Le Devoir*, a copy of which I sent him, which stated that in reply to the United Kingdom's proposal of establishing a free trade area with Canada the government was considering a counter-proposal whereby it would suggest forming a free trade area with all the commonwealth countries?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I thank my hon. friend for sending me notice of his question and also the article to which he has referred, appearing in *Le Devoir* of October 14. I do not know where the writer of this article chose to get information or inspiration to write such an article or the headline writer to entitle it in the way he did. As far as I am aware no country in the commonwealth has proposed the establishment of a free trade area within the commonwealth.

Mr. Cardin: May I ask a supplementary question? Do I take it from the answer that the government will not in fact make the counter-proposal I just mentioned?

Mr. Fleming: Well, certainly, Mr. Speaker, the Canadian government has made no such proposal.

Mr. Cardin: And it will not?

Mr. Fleming: Will my hon. friend be content with the answer I have given him today and wait until I satisfy the curiosity of my esteemed friend the hon. member for Essex East (Mr. Martin) in relation to the statement that I propose to make on the various trade conferences which have recently been held?

CANADIAN BROADCASTING CORPORATION

REPORTED TAKING OVER OF NATIONAL FILM BOARD

On the orders of the day:

Mr. E. G. Hansell (Macleod): I should like to direct a question to the Minister of National Revenue. Will the government confirm or deny the publicized report that the Canadian Broadcasting Corporation will probably take over the national film board?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, the government is not, of course, in a position to confirm or deny any statement with respect to

the policy of the Canadian Broadcasting Corporation, which is an independent crown corporation and not, at the moment, under the control of the government. I must say, in so far as the act is concerned, the powers of the minister are simply those of reporting to parliament, and within the scope of those limited powers I can tell my hon. friend that I have not had any word, directly or indirectly, with respect to the Canadian Broadcasting Corporation taking over the national film board.

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I ask a supplementary question. Does the Minister of Finance agree with the view just expressed as to the relationship of the Canadian Broadcasting Corporation to the government?—because he did not express any such view when he sat on this side.

Mr. Nowlan: It was a different minister then.

Hon. Donald M. Fleming (Minister of Finance): I can assure the importunate gentleman, who has just asked this question, that there is between the Minister of National Revenue and myself a measure of agreement that he and his colleagues might well have envied.

NATIONAL PARKS

CARTIER-BREBEUF—REFERENCE TO PRIME MINISTER'S STATEMENT

On the orders of the day:

Hon. Jean Lesage (Montmagny-L'Islet): Mr. Speaker, may I ask the Prime Minister what steps he has taken to implement the promise he made in Quebec recently to the members of la Societe St. Jean Baptiste that the Cartier-Brebeuf park would be made a national historic park?

Right Hon. J. G. Diefenbaker (Prime Minister): I thank my hon. friend for asking that question. I was greatly interested in the situation wherein, in our country, so many of our historic areas fall into disuse and are forgotten. We had an example right here in the city of Ottawa in the old Supreme Court of Canada building—

Mr. Lesage: I am speaking about Quebec.

Mr. Diefenbaker:—in which seven of Canada's prime ministers argued cases from time to time. I realize the need of action being taken in this regard. When I was in Quebec I must say I was deeply moved by the ceremony I attended there. I saw that area where Jacques Cartier spent that winter which all but ended exploration in what is now Canada. I then suggested that that area be set aside as a national historic site.

[Mr. Nowlan.]

Action is being taken in that connection. A full investigation is being made. As soon as we are in a position to report the effective nature of that action, I shall do so.

Mr. Lesage: May I ask a supplementary question, Mr. Speaker. May I ask the Prime Minister or the Minister of Northern Affairs and National Resources what action is being taken or has been taken?

Mr. Diefenbaker: Mr. Speaker, in the past I never heard such particularization. I speak of the objective and the general means. The routine details are not going to be gone into in this house, because it is foreign to the rights of the house to go into such details except when the estimates are discussed.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Prime Minister whether, in principle, he would be willing to take similar action with respect to the area surrounding cape Bonavista, which was discovered first by Cabot and was also visited by Cartier before Cartier went to Quebec.

Mr. Diefenbaker: Mr. Speaker, I am not going to enter into a controversy.

Mr. Pickersgill: There is no controversy.

Mr. Diefenbaker: My hon. friends sitting side by side are almost in the same degree of agreement in which they used to be when they were sitting over on this side of the house, when they invariably disagreed.

FREIGHT RATES

REQUEST FOR DELAY IN GRANTING PROPOSED INCREASE

On the orders of the day:

Mr. C. E. Johnston (Bow River): Mr. Speaker, I should like to direct a question to the Minister of Transport. Will the government take the necessary steps to delay any increase in freight rates asked for by the railways in their latest request for a 10 per cent increase until a proper investigation has been undertaken, the provinces have had an opportunity to make representations, and an effort has been made to bring about a greater equality in freight rates across Canada?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, as all hon. members know, the hearing before the board of transport commissioners has not been concluded and it will not be concluded before all parties are given an adequate opportunity to be heard. Then a report will be made to the government and the matter will be seriously considered.

Mr. Johnston (Bow River): Then may I ask a supplementary question. Is it not true that the 4 per cent of that 10 per cent which was granted on September 24 will become effective unless some steps are taken by the government?

Mr. Hees: Mr. Speaker, I am not aware of that fact. I will immediately get in touch with the chairman of the board of transport commissioners, and will give my answer tomorrow.

PUBLIC WORKS

GATINEAU AND OTTAWA RIVERS—REQUEST FOR PROTECTION WALLS

On the orders of the day:

Mr. Alexis Caron (Hull): Mr. Speaker, may I direct a question to the Minister of Public Works. Is it the intention of the minister to come back to a practice which was in effect for over 50 years up to 1953, namely to build protection walls along the Ottawa and Gatineau rivers in order to stop the land destruction along these rivers?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, may I thank the hon. member for giving me notice of his question. The policy of the department is to take action of this kind only where the damage to the river banks is caused by navigation. In my short term of office as minister I have found that there are many people in many parts of Canada who want us to take action to stop erosion. However, the dominion government is not responsible for erosion from natural causes. It is responsible only where erosion is caused by navigation.

[*Later:*]

Mr. Maurice Bourget (Levis): Mr. Speaker, following the answer made by the Minister of Public Works a few minutes ago to the question asked by the hon. member for Hull (Mr. Caron) are we to understand that the previous protection works projects of the former administration are not to be carried out during the present fiscal year?

Mr. Green: I do not know whether all the projects will be completed during the present fiscal year. As the hon. member for Levis knows, the basis on which the Department of Public Works undertakes jobs of this kind is to prevent damage by navigation, not simply to stop rivers eroding their banks, which they do in the ordinary course of nature.

Mr. Bourget: A supplementary question, Mr. Speaker, and I ask this because there were some tenders sought for projects in my own constituency a few weeks ago. I understand nothing has been done so far. This is a question of national interest because it is a question of departmental policy.

Some hon. Members: Ask the question.

Mr. Bourget: Very often, when they were on this side of the house, members opposite were asking such questions and they will recall that whenever a point was raised or a question was asked by members now on that side—

Some hon. Members: Order.

Mr. Green: I am very glad to answer, though I am a little surprised that the hon. member should raise this question. However, if he is referring to the projects which have been put in, at least in some cases, on the basis of protecting a Liberal farmer and not protecting anybody else, I may say that I am hoping the new government will be able to do a little better than that.

Mr. Bourget: I happened to be the parliamentary assistant to the minister of public works, and I know—

Some hon. Members: Order.

An hon. Member: Those are the trained seals.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I rise on a point of privilege. The questions have been asked, and some of the answers given have been speeches, and have been given at such length that I submit to you they are infractions of the rules of this house. My hon. friend has risen to ask his question in the same manner as the Prime Minister gave replies, and I submit to you that he should be given the same leeway.

Mr. Speaker: I appreciate the hon. member drawing to my attention the fact that some of the questions and some of the answers have not been in accordance with the rules of the house. I have hesitated, partly because of my own ignorance, to intervene; partly also because I assumed that among the new members at least there would be a certain amount of unfamiliarity with the purpose of the question period. However, after today's session I hope to be a little more severe with those who do not comply with the rules. But, as I say, I have been lenient today.

Mr. Bourget: Mr. Speaker—

Mr. Speaker: Does the hon. member wish to ask a question?

Mr. Bourget: Yes. Due to the fact—

Some hon. Members: Order.

Mr. Bourget: Well, give me a little time and I will ask the question. Due to the fact that the project that has been approved in my constituency comes within the terms of reference of protection works, is the minister going to accept it?

Mr. Green: Mr. Speaker, I answered the hon. member a few minutes ago. I am really astonished that he should raise this question today. The new government hopes to put this protection back on a businesslike basis, and not on the basis of awarding party prizes.

DOMINION-PROVINCIAL RELATIONS

ASSISTANCE TO EMPLOYABLE UNEMPLOYED

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of Labour. Can the minister at this time inform the house as to when the financial and other contractual agreements will be signed with our provincial governments relative to the payment of assistance to the employable unemployed who are not covered by unemployment insurance?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I cannot give the hon. member an answer to that question. It is a matter for discussion between this government and the provinces, who will be meeting here. It is one of the problems which will be discussed at that time.

Mr. Winch: Then may I ask a supplementary question. While you are waiting for that discussion to take place, how are these people supposed to live?

COMBINES INVESTIGATION ACT

PULPWOOD—STATEMENT ON PROGRESS OF REPORT OF INQUIRY

On the orders of the day:

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, yesterday the hon. member for Charlevoix (Mr. Maltais) asked me whether I could give a report as to the progress of an inquiry under the Restrictive Trade Practices Act into the pulpwood industry. I told the hon. member that I would try to give him a reply at the earliest possible date. I should perhaps say that, as the house knows, the practice has been established over the years of not making reports of such investigations until all matters are concluded and a decision has been reached. However, there are exceptions and this is one of them, inasmuch as this inquiry originated as the result of a statement made in the house. I can therefore deal with it only to the extent of telling the hon. member that it is not possible to say when a report may be made. The director informs me that the parties concerned have recently asked for a short postponement of the final hearing in order that they may bring additional information before the commission. The director anticipates that the commission will be seized of the case by the end of this calendar year, after which it will be a question as to how soon the commission can conclude their inquiry and make their report.

HOUSING

REFERENCE TO RESOLUTION RESPECTING LOW COST HOUSING

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Can the minister advise this house whether he has received a copy of a resolution dealing with low cost housing passed by the National Retail Lumbermen's Council of Canada at their eleventh annual meeting held at Clear Lake, Manitoba, in September of this year; and if so, what action if any has the government taken to implement the recommendations contained therein?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I would be obliged to ask in my department to see whether I have had a copy of those recommendations. The action the government has taken with respect to housing has already been mentioned this afternoon and it has been extremely effective in all parts of Canada except, unfortunately, in my own province of British Columbia and in the maritime provinces, particularly in the maritime provinces. There they do not seem to be taking advantage of the provision which has been made.

Mr. Robichaud: Could the minister tell the house if any action has been taken by the government to give further consideration to the building of low cost houses which are badly needed in the maritimes?

Mr. Green: The hon. member apparently has not familiarized himself with the policy which has been adopted and which is designed to help in the building of low cost homes. It is having that effect; the average price of the homes being built under this policy is a good deal lower than was the average under the policy which was followed by the former government.

PUBLIC BUILDINGS

MOOSE JAW—PROPOSED NEW FEDERAL BUILDING

On the orders of the day:

Mr. Louis Lewry (Moose Jaw-Lake Centre): I would like to direct a question to the Postmaster General. Can the Postmaster General give assurances that commitments made by the previous government for the construction of a new federal building for the city of Moose Jaw will be carried out?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, I think that question would be more properly directed to the Minister of Public Works.

Mr. Lewry: Then may I direct the question to the Minister of Public Works. Would the Minister of Public Works give assurances that commitments made by the previous government for the construction of a new federal building in the city of Moose Jaw will be carried out?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, this is really a question for the order paper, but there are steps under way to bring about the erection of a new post office building in Moose Jaw.

QUEBEC CITY—INQUIRY AS TO PROGRESS OF NEW POSTAL TERMINAL

On the orders of the day:

Mr. Wilfrid LaCroix (Quebec-Montmorency): Mr. Speaker, may I direct a question to the Minister of Public Works. Does the government intend to proceed, as soon as possible of course, with the construction of the new postal terminal in Quebec city?

Hon. Howard C. Green (Minister of Public Works): Well, Mr. Speaker, I will have to obtain the information from my department. I will be glad to give the hon. member an answer at the earliest opportunity.

WINDSOR—STATEMENT ON PROGRESS OF NEW POST OFFICE

On the orders of the day:

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, yesterday the hon. member for Essex West (Mr. Brown) raised a question regarding progress being made in the construction of the new post office in Windsor and why it was that accommodation which had been acquired is now being offered for rent.

The hon. member knows that preparations for this building have been under way for a couple of years. Unfortunately the former government had no item in the estimates for this project for the present fiscal year. The planning vote has been utilized in the preparation of plans and in the acquisition of property. The planning vote, however, does not make it possible to call for tenders.

Pending approval of the Department of Public Works estimates, I contemplate calling for tenders as soon as the estimates for the next fiscal year have been tabled in the house. This should make it possible to carry out demolition work during the months of February and March, and for new construction to commence immediately thereafter. I am just as concerned in providing as much employment as possible during the winter months as the hon. member, but with no funds available it has not been possible for me to have this work started earlier.

The hon. member made reference to accommodation which is being rented. Settlement has been reached with all the owners of property concerned in the new site except the Windsor Hotel Supply Company. We have good reason to believe that a satisfactory arrangement will be reached with them. However, one of the conditions is that they remain in possession until March 1, 1958. For the reasons given and the lack of funds in the current fiscal year, it was felt that this requirement was one that would not interfere with our program for next year.

NATIONAL DEFENCE

REPORTED TRANSFER OF RESERVE ARMY TO CIVIL DEFENCE ROLE

On the orders of the day:

Mr. W. J. Henderson (Kingston): Mr. Speaker, may I direct a question to the Minister of National Defence. Could he inform the house of the effective date when the reserve army in Canada will be changed from its present role to that of civil defence?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, I would like to thank the hon. member for having sent me notice of this question, and also the hon. member for St. Boniface (Mr. Deniset) for having sent me a somewhat similar question.

I think the hon. member knows that the training year for the non-permanent militia starts on October 1 of each year. On October 1 of this year a training directive was sent out which laid down the aims for the training in the current year. Those aims read:

> To prepare the militia for its role to assist in any future mobilization for active service and for civil defence. Emphasis will be given to civil defence.

I think hon. members will see that there is really no change in the role being given to the militia. The emphasis for the coming year is to be laid on civil defence, and I think hon. members will agree that that is a realistic

subject for study in connection with the militia, particularly in view of recent scientific advances which have been made in some other countries. That may not be as glamorous a role as some of the other ones which have in the past been carried out by the militia, but I am confident that the militia will render the same patriotic service in this role as it has always done, rather than seeking some phony, glamorous role which hardly exists.

Some hon. Members: Phony?

Mr. Henderson: Do I take it in view of what the minister has just said that in the present training year which started on October 1, 1957, the militia will conduct no other training other than for civil defence?

Mr. Pearkes: No I just read the opening words of the directive, and I will read them again:

> To prepare the militia for its role to assist in any future mobilization for active service and for civil defence. Emphasis will be given to civil defence.

Arrangements are made for selected personnel of militia units to attend summer camps with the regular units. The role of mobilization is not to be overlooked.

Hon. James Sinclair (Coast-Capilano): Mr. Speaker, may I ask a supplementary question of the minister. Perhaps he could tell the house what phony, glamorous role the militia has had in the past?

Mr. Pearkes: There is no suggestion of the militia having carried out in the past any role that could be considered as phony or glamorous, but there might be roles carried out in the future which would not be practical.

REPORTED UNIDENTIFIED SUBMARINES OFF NEWFOUNDLAND COAST

On the orders of the day:

Mr. L. T. Stick (Trinity-Conception): I would like to ask a question of the Minister of National Defence and this, Mr. Speaker, is a serious question. In view of the many reports of strange submarines said to have been seen around the coast of Newfoundland, what action if any has been taken by his department to look into this matter?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, throughout the summer months there have been many reports from fishermen and other residents of Newfoundland that they have seen objects which they believe are unidentified submarines. These reports have not been confirmed, although every effort has been made to confirm them, by any naval or air force personnel. In every case where there has been a report made by a fisherman or resident of Newfoundland a senior naval officer has personally interviewed and questioned the person making the report. Action is being taken by the flag officer, Atlantic, to try to confirm any future reports which might be made. I might say that action has been taken during the past several weeks by the navy and by the Royal Canadian Air Force to make a definite identification.

BRITISH COLUMBIA

VANCOUVER—FEDERAL ASSISTANCE IN CONSTRUCTION OF SEA WALL

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I desire to direct a question to the Minister of Public Works and I assure you, sir, it is not one for the order paper.

British Columbia is holding its centennial next year, and one of the questions asked of the Minister of Public Works is with respect to a contribution by the government toward the building of the sea wall which, under Vancouver's centennial plan, will take care of and hold for all time the famous R.C.M.P. ship *St. Roch*.

I understand that information must be received immediately if the plan is to go forward. May I ask the hon. minister to tell us whether the federal government is prepared to participate financially in this matter?

Hon. Howard C. Green (Minister of Public Works): The hon. member for Vancouver East is a little behind the times on this question. I have been considering this matter for some weeks, and just a few days ago had a conference with three of the aldermen from the city of Vancouver. I am very hopeful that the government can give some help in connection with the sea wall, but I point out to the hon. member that he had better not press me too hard or I will be in trouble with the Minister of Finance. That is the situation at the present time. We are endeavouring to see what can be done in regard to this program.

AIR TRANSPORT

STATEMENT ON AIR TRAFFIC RIGHTS, ITALY-CANADA

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, yesterday the hon. member for St. Antoine-Westmount (Mr. Marler) asked a question of the Prime Minister, requesting information regarding the possibility of an agreement being reached

with Italy for an extension of air travel rights. As that matter comes within the orbit of my department, the Prime Minister has asked me to answer the question.

I am glad to report that informal discussions are going on at the present time through diplomatic channels, and it is hoped that a basis for the extension of these rights may be reached in the near future.

Mr. Stanley Haidasz (Trinity): Mr. Speaker, may I ask the Minister of Transport, before we forget his answer to the previous question, whether the traffic rights he mentioned earlier are to be exercised at Toronto?

Mr. Hees: I think the hon. member is a little ahead of himself. First it is necessary to reach an agreement, if one can be reached, with Italy. If that can be done we shall give consideration to the matter he has mentioned.

NATIONAL REVENUE

ACTION TO PROHIBIT ENTRY OF SALACIOUS LITERATURE

On the orders of the day:

Mr. C. A. Cannon (Iles-de-la-Madeleine): Mr. Speaker, may I direct a question to the Minister of National Revenue. Has the minister undertaken personally, or has someone in his department undertaken for him, the censorship of salacious literature imported from abroad, as was carried out so worthily by his predecessor in office?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, the Minister of National Revenue in accordance with his oath of office performs those duties ascribed to him under the act.

Mr. Cannon: A supplementary question, Mr. Speaker. Does the Minister of National Revenue approve, therefore, of the attitude and the conduct of the previous minister of national revenue in this regard.

Mr. Nowlan: It is not for me to pass judgment on the conduct of my predecessor. Certainly the majority of the people of Canada did not approve of him or of the majority of his colleagues.

LIVESTOCK

CATTLE AND HOGS—REQUEST FOR ADEQUATE FLOOR PRICES

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I would like to ask a question of the Minister of Agriculture. Can the minister inform the house if adequate floor prices will be placed under cattle and particularly under hogs, to protect the farmers from possible ruinous prices if a large scale switch is made by farmers as was advocated publicly by the minister in order to alleviate the grain surplus problem.

Hon. Douglas S. Harkness (Minister of Agriculture): Mr. Speaker, I have no doubt the hon. member has noted in the speech from the throne that the government proposes to introduce a measure to stabilize agricultural prices and the agricultural economy, and when that measure is introduced the government will make a full disclosure of its intentions in regard to matters of this kind.

SEARCH AND RESCUE

STATEMENT ON ESTABLISHMENT OF CANADIAN COAST GUARD

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, yesterday the hon. member for Comox-Alberni (Mr. Barnett) directed a question to me asking if I could advise him what progress the present government has made in developing a coast guard service.

This is a very important question and one in which many members of the house are interested. To do it justice it requires a detailed and of necessity a lengthy answer. I have such an answer here, but I do not think I should take up the time of the house giving it at this time. If the hon. member is willing to put his question on the order paper I will be able to immediately table the answer in the normal way.

Mr. Sinclair: Mr. Speaker, I think this is of such importance that the whole house would welcome a statement of policy from the minister.

Mr. Fulton: The whole house will get it if you will allow it to be tabled. You can read, can't you?

Mr. Sinclair: I think it would be much better for the minister to tell us in his own inimitable way about this frequently repeated Tory promise.

FINANCE

CANADA SAVINGS BONDS—POSTERS PRINTED IN U.K.

On the orders of the day:

Hon. Jean Lesage (Montmagny-L'Islet): Mr. Speaker, I would like to ask a question of the Minister of Finance. How many contracts have been awarded in the United Kingdom for the printing of posters for the current sale of Canada savings bonds? I have just sent one example of such a poster to the minister.

Inquiries of the Ministry

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I think the correct answer is one. However, I can amplify the answer, in a manner that may give my hon. friend more information. About ten days ago it was brought to my attention that some of the posters used in the current Canada savings bond campaign appeared to have been printed in Great Britain rather than in Canada.

Mr. Lesage: Even those in the French language.

Mr. Fleming: I made inquiries at once on the matter and I found that one poster answered that description, one poster only.

Mr. Martin (Essex East): Part of the policy of diversion.

Mr. Lesage: Fifteen per cent.

Mr. Fleming: Order, please. May I continue, Mr. Speaker?

Mr. Gauthier (Portneuf): Ask Mr. Speaker for order.

Mr. Fleming: If the hon. member will permit his colleague's question to be answered, Mr. Speaker, I will be glad to proceed.

That one poster I am told had been conspicuously successful in a similar campaign in the United Kingdom, and that was the reason it had been adopted for use here. The total amount involved in the purchasing of the rights to this one poster and having it printed at its source was $2,500 out of a total expenditure on advertising in connection with the current Canada savings bond campaign of $640,000.

An hon. Member: Waste and extravagance.

Mr. Fleming: You can readily see, Mr. Speaker, that the amount involved is approximately one-third of one per cent of the total.

(*Translation*):

FINANCE

INQUIRY AS TO USE OF BILINGUAL GOVERNMENT CHEQUES

On the orders of the day:

Mr. Wilfrid LaCroix (Quebec-Montmorency): Mr. Speaker, I would like to ask a question of the Minister of Finance. Is it true that the minister has given instructions to the treasury to issue bilingual cheques throughout the whole of Canada from now on? In the negative, is it necessary to pass legislation in order to give such instructions?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I have given no such instructions. That is a matter of government policy.

(*Text*):

MINES AND TECHNICAL SURVEYS

NORTHWEST TERRITORIES—GEOLOGICAL SURVEY POLICY

On the orders of the day:

Mr. M. A. Hardie (Mackenzie River): Mr. Speaker, I wish to direct a question to the Minister of Mines and Technical Surveys. Can the minister inform the house if there has been any change in policy by the present government in regard to the carrying out of geological surveys in the Northwest Territories?

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, I will take careful note of the question and answer it at the next opportunity, probably tomorrow.

Mr. Hardie: Supplementary to that, Mr. Speaker, while the minister is giving a reply to that question could he also find out why it was that this summer the work of the geological survey parties in the Mackenzie river district of the Northwest Territories was stopped when only 80 per cent of the work was completed?

COAL

REQUEST FOR STATEMENT ON SUBVENTION POLICY

On the orders of the day:

Mr. A. J. MacEachen (Inverness-Richmond): Mr. Speaker, I wish to direct a question to the Prime Minister, and I do so because of the widespread interest in this problem in the province of Nova Scotia.

Is the Prime Minister in a position today or later to make a statement on the general coal subvention policy of this government, and in particular whether a subvention will be paid on coal moved within the maritime provinces, as forecast by him in his appearances in Nova Scotia prior to June 10?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, if the hon. gentleman will hold his curiosity in control for the next hour he will have an answer to that question.

PRAIRIE FARM ASSISTANCE

MEADOW LAKE, SASK.—INQUIRY AS TO INSPECTORS

On the orders of the day:

Mr. J. H. Harrison (Meadow Lake): Mr. Speaker, having regard to the recent replies of the Minister of Public Works I would like to ask a question of the Minister of Agriculture. In view of the written request to me from the minister to supply him with the names of farmers competent to act as

P.F.A.A. inspectors in the constituency of Meadow Lake, how many so named have been called out and immediately thereafter fired?

Hon. Douglas S. Harkness (Minister of Agriculture): Mr. Speaker, I have not that detailed information with me at the present time, naturally, because I could not possibly carry it for all the constituencies in western Canada. However, I can tell my hon. friend that a considerable number of the people whom he recommended were approached or taken on as far as this P.F.A.A. work is concerned. I might tell him further that of the list he submitted I think only two were farmers. The remainder were bar keepers, barbers and people in various other occupations.

Mr. Harrison: Mr. Speaker, in view of the minister's answer I would like to ask a supplementary question. Seeing that I recommended only two men to him my suspicions are corroborated fully. Is this new technique the brain child of the minister or an adaptation of Mao Tse Tung's recent methods of finding out who's who in China?

Mr. Speaker: Order.

SPEECH FROM THE THRONE

CONTINUATION OF ADDRESS IN REPLY

The house resumed, from Tuesday, October 15, consideration of the motion of Mr. A. R. Smith (Calgary South) for an address to Her Majesty the Queen in reply to her speech at the opening of the session.

Right Hon. L. S. St. Laurent (Leader of the Opposition): Mr. Speaker, in rising to make my first comments on the address on behalf of the official opposition in this house, I should like to repeat my earlier statement that we deeply appreciate the historic circumstance that for the first time in the history of the Canadian parliament the speech from the throne was delivered by the sovereign in person. We welcomed the Queen in this parliament because among other reasons to be valid every act of this parliament must have the Queen's assent, and the royal assent is not an empty formality. It is true that the sovereign, under our British parliamentary system, acts only on the advice of ministers who are responsible to the elected branch of our parliament, but the crown is nonetheless an essential and a vital part of parliament itself.

The crown is a symbol of the constitutional evolution of our parliamentary tradition and also of our unity as a nation. The presence of Her Majesty the Queen in our parliament here in Ottawa has for us given new life to that symbol.

I have already referred to the fact that I appear in this house in a new capacity. I must confess that I was disappointed by the results of the recent election. I do not propose, however, to dwell on that disappointment nor do I intend to speculate upon the reasons for those results. The results speak for themselves. The party which I have had the honour to lead for the past nine years accepted those results loyally, without hesitation, in what we believe is the true spirit of our parliamentary system.

I do feel that all Canadians have a right to be proud of the ease and smoothness with which the change of government was accomplished as soon as possible after the full results of the general election were known. As we look around us in the world today we note that there are not too many countries where a government which has been entrenched in office for over 20 years could be changed so speedily and with so little confusion. The fact that this change took place in the manner it did may perhaps give many of our fellow citizens a deeper faith in the strength of our parliamentary tradition and our parliamentary institutions and the devotion that all of us feel to that tradition and to those institutions.

I should like to do in parliament what I have done out of parliament and congratulate the Prime Minister (Mr. Diefenbaker) upon the vigour of his campaign and upon the support he was able to enlist for himself and for his party in the recent election. The Prime Minister does not expect me to wish him any long tenure of his present office, but I do say sincerely that I appreciate the way the Prime Minister has preserved not merely the letter but the spirit of the amenities of our parliamentary system. In all of those difficult and delicate arrangements which are inseparable from a change of government the Prime Minister has shown courtesy and consideration which I have appreciated and which I trust will always characterize the relations between party leaders in this parliament.

Perhaps I may be permitted to say that what happened on June 21 was an effective answer to some of the exaggeration about the dangers to parliament which we heard so much about before June 10.

The speech from the throne forecasts steps by the government to make both houses of parliament more effective in the discharge of their responsibilities to the people of Canada. All hon. members have an equal interest in having parliament function as

an effective instrument in the services of the Canadian people and we on this side of the house hope that the government's plans for making parliament more effective were not being foreshadowed by the Prime Minister in recent speeches he made in Charlottetown and Montreal of which the newspaper reports give the impression he was suggesting that the house should accept virtually without question whatever program the government laid before it.

Mr. Diefenbaker: No; that is a misinterpretation.

Mr. St. Laurent (Quebec East): I hope that is not an accurate forecast of what the government had in mind.

Hon. members are aware of the decision I had with great regret to announce on September 6 that I did not feel I had the strength and vigour necessary to lead my party in another general election and for that reason I felt the right course was to relinquish the leadership of my party as soon as a successor could be chosen in the appropriate manner. I doubt whether any party leader in the history of our country has enjoyed greater loyalty or more widespread support throughout the whole of his leadership than it has been my lot to enjoy since I became leader of the Liberal party in August, 1948. I assure you, Mr. Speaker, it was not easy to reach the conclusion that so soon after the party had suffered its first reverse I would have to give up the responsibility and the honour of leadership. I reached the conclusion, however, that if, as I was advised, the state of my health was such that I could not reasonably expect to lead the party effectively in another general election campaign, it was important for the effectiveness of the role of the Liberal party in our parliamentary system and therefore in the interest of the country that the leadership should be assumed by someone with the necessary strength and vigour to fully discharge that task. Once I had reached that decision, and of course I alone could make it, I felt the right thing to do was to communicate it to the public without delay, so that is what I decided had to be done.

I mention these circumstances, because they do have a bearing on parliament. In this house I occupy the office of Leader of the Opposition and I hope to continue to occupy that office until a new permanent leader of our party has been selected. Once that selection has been made I shall, of course, immediately relinquish the office of Leader of the Opposition to my successor. In the meanwhile I shall endeavour to discharge the constitutional duties of that office to the best of my abilities, fortified by the knowledge that I speak in this house for a united party which, as recently as June 10, still commanded substantially more popular support than any other political party in the country.

In assuming my new task as Leader of the Opposition I am comforted by the fact that, in spite of what has been said in answer to questions yesterday and today in the house, and in spite of the fact members of the present government and their supporters campaigned on the slogan that it was time for a change, they did seem singularly reluctant to make important changes in the policies or methods we followed when we sat on the other side. One member of the government after another has asserted he found little to change in the policies or administration of his department.

The Minister of National Defence (Mr. Pearkes) paid tribute to the efficiency of our defence forces and, as recently as October 6th, indicated that there would be no fundamental changes in our forces. However, rumours appearing recently in the press seem to have caused some uncertainty in the public mind on this score. The Acting Minister of Citizenship and Immigration (Mr. Fulton) has apparently sought to give the impression he was following our practices. Two of the harshest critics of our administration, the Minister of Transport (Mr. Hees) and the Postmaster General (Mr. Hamilton) seem to have gone out of their way to praise the departments over which they preside. Even the Minister of Public Works (Mr. Green) seems to have found merits in the trans-Canada highway in its present state that were not too apparent to many of us on this side of the house. Indeed, the one minister who seems to have found serious fault with the previous administration, the Minister of Finance (Mr. Fleming), claims to have discovered many examples of waste and extravagance in the administration of the various departments. We shall all await with interest the particular examples the Minister of Finance is able to disclose.

We on this side of the house will rejoice with him if he is able to bring about any substantial economies without impairing essential services. Both Mr. Harris and Mr. Abbott before him were always trying to do this, and they succeeded in keeping the growth of expenditures well below the growth of the country during the past ten years. It is, I agree with the present incumbent of that important portfolio, the duty of any minister of finance to keep down expenditures as much as that can be done without impairing the services that the public needs and wants.

Perhaps the most heartening of all these assertions was the apparent endorsement given to the external policies of the Liberal government by the new Secretary of State for External Affairs (Mr. Smith) on the day he was sworn into office. Until about a year ago the discussion of external affairs in this house was generally carried on in a non-partisan spirit and I, for one, was very glad that the minister should have stated so definitely that he approved of the policies that were followed a year ago. We all hope Doctor Smith will continue to exhibit the admirably objective and non-partisan attitude which he proclaimed on the day he became a member of the government.

In view of the statements made before June 10, we have heard with surprise from the new Minister of Trade and Commerce (Mr. Churchill) speeches about the wheat problem which, when compared with previous speeches, have echoed the very words used about this problem by his distinguished predecessor. Indeed, in so far as wheat is concerned, the only thing that seems to have changed since June 10 is that we appear to be selling less and less wheat than we were previously.

There has been from the Prime Minister the much-heralded pronouncement in the United States on Canadian-United States relations. Those of us who have compared his pronouncements at Dartmouth college with the speeches made in the United States not long before June 10 by the former minister of trade and commerce, and even since June 10 by the former secretary of state for external affairs, could only rub our eyes and wonder whether anything was changed because there seemed to be nothing whatever in the Prime Minister's speech that had not already been said, and said very well and at least as forcefully, by members of the Liberal government.

The other day the four ministers returned from a meeting in Washington and brought back a promise from the United States government not to resume the form of wheat disposal by barter which the United States had already abandoned while we were still in office. This seemed to be really all that was accomplished, unless there was something achieved that was not mentioned in the communique. One might wonder if those who voted for a change on June 10 really wanted anything more than a change of faces, because so far that seems to be the most that has been obtained, except perhaps a growing feeling of uneasiness about the future. You would not expect me to admit that that was a very substantial change for the better.

I should not neglect any longer to compliment the mover (Mr. Smith, Calgary South) and seconder (Mr. Arsenault) of the address, and to compliment them sincerely upon the admirable style and delivery of their maiden efforts in the house. The house, of course, always listens with sympathy to a newly-elected member making his first effort to catch its ear, and both hon. members acquitted themselves in a manner which promises well for their future contributions to our debates. It is not customary for the Leader of the Opposition to praise the contents of the speeches of the mover and seconder of the address and on this occasion particularly as I, too, am a novice, I shall not depart from precedent. I cannot, of course, share their understandable admiration for the new government which they feel they were elected to support.

I believe I have reached a point where I should indicate, as precisely as I can, what the attitude of the Liberal opposition will be to the new government during the present session when I expect to be responsible for leading the opposition. It is over 22 years since the Liberal party was last in opposition. In the 22 years Canada has enjoyed—I use a word that I believe will become more widely used in that connection as time passes—I say in the 22 years that Canada has enjoyed a Liberal government we as Liberals have prided ourselves on the fact that every item of the program placed before the public in each successive campaign has been implemented in full whenever it was possible for the government or for the parliament of Canada acting alone to implement it. The only items in our Liberal programs which have not been fully implemented are those which have required provincial co-operation, which was not always forthcoming, or the co-operation of the governments of other countries or of international bodies. Everything we have undertaken to do that could be done by a government here in Ottawa acting on its own has been accomplished.

This is a record of which we are justly proud. We are also proud of the fact that in these past twenty years the people of Canada have come to take it for granted that the government of Canada acts in good faith and carries out its undertakings to the people. I believe that the good faith in fulfilling undertakings that the public has received from the Liberal government they will now expect to receive from a Conservative government. I understand that is also the view of the present Prime Minister.

Of course it may be argued that the situation is somewhat different because the present government has not a majority of its

own supporters in this house. That is true. The Conservative party was a long way from receiving a majority either of the popular vote or of the seats in parliament on June 10 last. But as far as its promises to the people are concerned, that should not be a substantial handicap to the government. Almost all of the Conservative promises were echoed by the two smaller parties represented in this house. Indeed, the most substantial difference between the Conservative party and the smaller parties in that regard is that the smaller parties were making even larger promises.

Since June 10 I understand that the hon. member for Rosetown-Biggar (Mr. Coldwell) and other members of his party have pledged their support to the government in fulfilling the promises, at least to the extent to which they themselves made them. To many Liberals some of the promises have seemed to be somewhat imprudent and some of them seem to be even impractical; but the fundamental position of the Liberal party is and always has been that the people by their votes have the right to control their own government.

We do not think that a Liberal minority in parliament has any more right to frustrate the will of the people by an obstructive attitude than has a Conservative minority or a C.C.F. minority. We believe that an opposition should state its position vigorously and honestly and that it should do its utmost to persuade a majority that when it objects to legislation, its objections are sound. But in the final analysis our view is that the will of the majority in parliament and, even more, of the majority in the country, should prevail. Indeed, our view is that a minority in parliament should not seek to obstruct the will of the majority unless the minority believes—and that may be possible at times—that there is at stake a principle of such importance to the nation that the minority should do everything in its power to bring the question before the electorate itself for a decision.

In the case of the Prime Minister's election promises we feel that the Liberal opposition should not attempt to substitute itself for the will of the majority expressed so recently in the general election. It is a fundamental Liberal belief that the people are entitled to have promises made to them by a successful political party implemented, and implemented in full.

I do not intend to detain the house with a catalogue of the promises made by the Prime Minister in the recent campaign. The speech from the throne forecasts legislation to implement several of these promises. I do not refer to the sections of the speech which deal with international and commonwealth affairs. Apart from the reference to the Mont Tremblant conference, to which I shall refer later, the rest of these sections of the speech could just as well have been put there by a Liberal government. Indeed, many of the phrases are mere echoes of earlier speeches; and I am not suggesting that they are any the worse for that.

As for the measures forecast to increase old age security and other social benefits, naturally every true Liberal will welcome them in principle. Our sole concern will be to see how they fit into the whole financial picture and how far the government will take effective measures to control the rise in the cost of living which, if unchecked, could easily take away all the advantages of the proposed increases.

I think my right hon. friend would agree that the vague language used about benefits for farmers and fishermen is perhaps better suited to a party manifesto than to a legislative program, but when it is translated into a legislative program we shall see just what it can mean and what its effect can be. Like the farmers and the fishermen themselves, the opposition will be eager to see what, if anything, the proposed legislation really adds up to.

As for cash advances for farm stored wheat, it is our view that the farmers of the prairies and the country would be much more interested in the progress being made in selling the wheat.

There is nothing new in the so-called national development program as outlined in the speech from the throne except the undertaking to assist in financing Beechwood and the forecast of early discussions about beginning the South Saskatchewan dam.

Evidently part of the burden of the wider program for producing and transmitting power in the Atlantic provinces which we felt should be financed entirely out of the federal treasury is being pushed back on the provinces. In the speech from the throne there was just the gentlest hint of tax changes. The language of the speech was in singular contrast to the vigorous and forthright language used by the Minister of Finance in June.

Let me recall his statement as reported by the Canadian Press in the Montreal *Gazette* of June 26. The article is entitled "Tax Reductions, Pensions Boosts in Fall Budget" and reads as follows:

> Ottawa, June 25—(CP) Finance Minister Donald Fleming said tonight he plans to bring down a new budget next fall to reduce taxes, increase old age pension and possibly curb government spending.
>
> The new Progressive Conservative fiscal chief said also in an interview that he will be moving

toward easing of the federal "tight-money" policy as quickly as possible with the hope of reviving Canada's housing slump.

"There very definitely must be an early relaxation of the rigors of the tight-money policy," said the 52-year old Toronto lawyer on whose shoulders have fallen the job of developing a financial policy to fulfil Prime Minister Diefenbaker's election promises.

The same report goes on to state that the Minister of Finance recalled that during the election campaign the Prime Minister had promised to reduce taxes, increase old age pensions and bring about a fair distribution for provinces and municipalities of revenue from joint federal-provincial tax fields. Then there is this direct quotation:

"These promises will be fulfilled," Mr. Fleming said, observing that in each case the promises required action of the finance department.

We are all looking forward to the presentation of this budget and to a full debate on the case the Minister of Finance will present at that time.

From time to time I have noticed from press rumours that the government intends to make important changes in the fiscal policy of this country without giving the elected representatives of the Canadian people an opportunity for a full debate which, under our parliamentary system, is afforded by the presentation of a budget. I refuse to believe that a government whose leading members made so much of their attachment to the rights of parliament would seriously propose, both to alter the tax structure of the country and to increase expenditures substantially without giving parliament every opportunity afforded by the rules to consider the whole financial picture and to debate fully the benefits of proposed changes upon the economy.

In the budget proposals we will await with particular interest the proposal for implementing the promises which the Prime Minister made, all across the country, to arrange for a substantial increase in the revenues of the provinces. That is a matter which we have studied very carefully, over the years. We may not have been able to reach the best possible conclusion, but we put forth our best efforts. We have therefore been somewhat surprised that the federal-provincial conference which the Prime Minister promised to call immediately after the election should have been delayed now for nearly five months.

We perhaps are entitled to expect also, in accordance with their oft-proclaimed policy of keeping parliament fully informed, that we in parliament would be advised in advance of the proposals that the government will place before the federal-provincial conference. For our part we are proud that it was a Liberal government which established the principle of equalization payments out of taxes paid by all the Canadian people with the object of placing all the provincial governments in a more nearly equal position to discharge their constitutional obligations. It seems to us that any departure from the principle of equalization will be viewed with alarm in all parts of Canada.

Now may I turn for a moment to the question of trade about which the Prime Minister made a very far-reaching proposal. I refer, of course, to the policy he announced on his return from the meeting of the commonwealth prime ministers in London, namely, that the government will seek to divert 15 per cent of our purchases from the United States to commonwealth countries. I should like to believe that the Prime Minister would not announce such a policy unless he had a concrete plan designed to carry it out. It is true that a few suggestions for increasing United Kingdom sales in Canada were contained in the joint announcement made by the United Kingdom and Canadian ministers on October 4, but I submit, with great respect, that these suggestions do not appear to be very impressive.

For most of the period since the war our government has sought systematically to direct our purchases to the United Kingdom, if they were purchases of things that could not be made at home, and there is nothing new in the suggestion that that policy be pursued. The increasing United Kingdom exports which would result from increasing the $100 exemption for tourists certainly would not go very far, and the high level trade delegation is not something new. For years a committee headed by Mr. James Duncan, and other special missions, have been contributing in the same way to the same end. I am sure that all of us who know Mr. Duncan—and many of us do know him—would believe that he had put forth very serious efforts to make a success of the mission upon which he was engaged and which he headed. It does not seem that any of these things are likely to bring about a diversion of even a small fraction of one per cent of our purchases, much less 15 per cent. We will be very interested to know what is the government's plan for this huge diversion of trade.

It seems to us that there are only three possible ways to bring about a diversion of trade on this scale, if indeed a diversion on this scale is possible at all. The first would be discriminatory increases in tariffs against the United States. Some suggestions have been made that this might be called the Bennett way. I do not think that that is the plan and I think it would create serious difficulties if it were considered as a way to bring about this

desirable result of making it possible for the United Kingdom economy to earn Canadian dollars.

The second way would be by state trading and state control of exports and imports which might be called the soviet way. That certainly is not being contemplated by this government, nor would it be contemplated by any Canadian government as a proper manner in which to handle our trade policies.

The third way is by the reduction or removal of trade barriers between Canada and commonwealth countries, which I suppose you might call the Thorneycroft way. We have been given the impression that the government is not too enthusiastic about that; the Minister of Finance was supposed to have a secret agenda of his own at Mont Tremblant, but so far the Canadian public have not been given any hint of what that agenda might contain.

Mr. Fleming: He did not have any secret agenda of his own.

Mr. St. Laurent (Quebec East): Well there was a report published of a press conference with the Minister of Finance, held before the Mont Tremblant meeting, which was progressing splendidly until the newspaper men commenced to ask questions about an agenda and were told that the agenda was on the secret list and that the ways and means were matters that could not be divulged at that time.

Mr. Fleming: It was not my agenda.

Mr. St. Laurent (Quebec East): I would imagine that the hon. gentleman would not be writing the agenda himself but would be using the assistance of the very competent staff of the Department of Finance and the Department of Trade and Commerce in preparing an agenda for that kind of meeting.

Now the speech from the throne refers to the comradely spirit at Mont Tremblant. Well, this comradely spirit seems to have escaped the notice of press correspondents. Perhaps I might be allowed to cite a comment in the last issue of the *Financial Post* on October 12 entitled "Months of Grace for Tories Over":

> The unfortunate fact is that the Mont Tremblant conference between Canadian and British officials was a great flop.
>
> The whole story of what went on behind the scenes is now available (see page 3 this issue).
>
> The British had prepared very thoroughly for the meeting. The Canadians had not.
>
> The crux of the problem of increasing trade between Canada and Commonwealth countries is in how governments can foster this without running foul of their commitments under GATT.
>
> The British came with their proposal which they had told the Canadians about several weeks before. Their plans got the much over-simplified name of free trade area. Stated baldly that way, it stunned the Canadians, and before it ever got adequately explained, it got buried. Fully explained, it isn't nearly such a startling scheme as it sounds.
>
> This is regrettable because a thorough, unexcited examination might have led somewhere. At least, a sober discussion of it would have laid useful groundwork for future conferences. But the fact is that the cause of commonwealth trade has actually been set back rather than advanced.
>
> What caused the Mont Tremblant fiasco?
>
> Despite the advance warning that the British would announce this proposal, it appears that the Canadians went to the conference without doing nearly enough homework. The big research and analysis machinery available to the government wasn't adequately exploited.
>
> Ottawa observers of the affair are also convinced that the new Canadian cabinet hasn't yet got its working methods organized, that cabinet members are inadequately informed on the Prime Minister's views and on each other's.
>
> One Briton said: "Before the meeting Canadians talked a lot about commonwealth trade, but at the conference they apparently were not prepared to face up to doing anything important about it."
>
> Coming into office after so long a pilgrimage in the wilderness of opposition, the new government was bound to take some time to learn how to run public business smoothly.
>
> But parliament meets next week. The months of grace are over. The new government should take pains to demonstrate to voters that it knows where it is going, that it doesn't make large promises it doesn't know how to fulfil.

I submit that it is time parliament and the Canadian people were told in precise language just what the plans of the government are to divert our trade to commonwealth countries and precisely what is involved in the proposals of the United Kingdom government.

We were told before the election that this trade problem was urgent: surely it cannot be shelved until a commonwealth conference is held some time next year to consider an agenda which is still being kept secret from the people of Canada. On this question of the diversion of trade we in the opposition will not attempt to comment, and no one can comment intelligently until we know what the government really proposes.

We believe the proper function of an opposition which hopes and expects to be in office again is to be fair and frank with the public, to criticize the government vigorously, and to advance alternatives to the policies followed by the government, but not to seek to usurp the functions of the government or to take responsibility for them.

Having the reasonable assurance that the fulfilment of its promises will not be obstructed at the present session of parliament, at least by the official opposition, the government will have no excuse for any failure to carry out that program.

In the special circumstances in which this house finds itself where no party has a majority but where there does seem to be a disposition to give the government the opportunity to bring its legislation before

the house, it does not seem to us in the official opposition to be appropriate to move the traditional vote of want of confidence.

Such a motion could, it seems to me, have only one or other of two effects. If the motion were carried it would deny the government the possibility of attempting to fulfil their promises. If the motion were not carried it would serve merely to put forward some alternative proposition, and the beginning of this session does not seem to be the time for that.

Having decided not to move an amendment ourselves, we do not feel at this time that we should support any amendment to the address moved in any other quarter of the house.

We feel that the government has enunciated a program in the speech from the throne in general terms. No doubt the government has legislation in which we will find more precise, more concrete suggestions than those contained in the speech from the throne, and we think that the government should have the opportunity of producing that legislation. If that legislation is, as it would appear to be, in line with the pre-election promises made by the government which resulted in the situation which induced us to tender our resignation to His Excellency the Governor General then the government should have the opportunity of producing that legislation and making clear to the Canadian public that it is, and always was, its intention to carry out those promises, and that it feels this can be done without any serious effect on the future economy of the Canadian nation.

I am sure the government will have in mind, in all the measures it will be recommending to parliament, the necessity in the interest of the Canadian individual and the Canadian nation of effectively controlling inflation so that increases in expenditure may not become useless because of increases in prices which these expenses were meant to cover.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, it is naturally with some diffidence that I rise at this time. The Prime Minister said—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: The Leader of the Opposition—I say immediately that so long was he in the former office that all of us wondered who would be the first to make the slip. I did.

The Leader of the Opposition (Mr. St. Laurent) said he was not going to prophesy a long period of office for us. I remember a prophecy in January of 1957 when I occupied for the first time the position which he is occupying now. He then made the prophecy that I would be in that position for a long time. I am glad he did not make any prophecy today, for, after all, on that occasion and since the prophecy did not come true.

But I am not here for the purpose of going over the election. I dislike referring to that, and I would not have done so had the Leader of the Opposition not referred to it, because it is contrary to my inclinations to bring up matters that cause feelings that I do not want hon. members opposite to feel.

Mr. Speaker, my first words must be words of congratulation to yourself on the elevation to the position you now occupy. I say to you my hope is, and it is a sure one, that in the days ahead you will maintain those great traditions of the position which you occupy.

In the last few days we in this parliament have had an experience, to which reference was made by the Leader of the Opposition, of having a visit from Her Majesty the Queen. As she left us today she sent to us and to all of Canada a message warmhearted and appreciative coupled with the hope that it will not be long before she will again be visiting her country as Queen of Canada. I think I can do no better, with the leave of the house, than to table that message, as well as the message which I sent on your behalf and on behalf of the people of Canada to her on her departure.

Before I get into the debate proper I want to say a word of congratulation to the mover and seconder of the address in reply to the speech from the throne. This is not a perfunctory thing to do. The hon. member for Calgary South (Mr. Smith) acquitted himself in a way that was truly reminiscent of the contributions made in this house by his father, for many years a member of this body.

The hon. member for Bonaventure (Mr. Arsenault), able to do that which all of us must envy, that is to speak in both official languages and so well, executed his task extremely capably. These two hon. members are but an example of the very considerable number of young members who have come into this parliament for the first time, young in years but old in experience, who I know in the years ahead will make great contributions as so many of them did in the days of war.

Now, I listened to the Prime Minister—

Some hon. Members: Oh, oh.

Mr. Diefenbaker:—or rather to the Leader of the Opposition as he revealed something of his attitude in regard to these matters of

public importance. I could not quite follow him in the attitude that he took all the way through his speech. It was an attitude of criticism—sometimes captious criticism—this was wrong, that was wrong and the other thing was wrong. And yet, as he came to the end of that speech he indicated that although we did not have a majority in the house, and therefore did not enjoy the confidence of the house, he would not move a vote of non-confidence. Why? If everything that is being presented is wrong or subject to criticism, why not do that which under ordinary circumstances would be the proper attitude to adopt? Why not permit a vote to take place regarding that matter—

Mr. Pickersgill: Are you disappointed?

Mr. Diefenbaker:—which above all others is of the first consideration, whether or not we do enjoy the confidence of the House of Commons?

Mr. Lesage: We are letting you ride.

Mr. Diefenbaker: If my hon. friends will possess themselves in silence for a moment I will continue. They have already jeered themselves out of this side of the house.

One of the major reasons they are over there is because they jeered and jeered and ridiculed the situation which built up and built up whereby our parliamentary institutions were degraded.

Mr. Chevrier: Ah, get off that line.

Mr. Diefenbaker: Your attitude is not shared by your deskmate and if my hon. friends opposite think I overstate the question—

Mr. McIlraith: You do.

Mr. Diefenbaker: —my hon. friends should have been present at Presqu'ile Point on the occasion of the young Liberals meeting a few weeks ago. My friend the hon. member for Laurier (Mr. Chevrier) was not there but his seatmate was and on that occasion his seatmate spoke words of great wisdom.

Mr. Pickersgill: He always does.

Mr. Diefenbaker: He went on to point out as he peeped into the cupboard of practices by the former government—

Mr. Chevrier: Why don't you deal with the speech?

Mr. Fleming: You don't like that.

Mr. Diefenbaker: He produced in words of acute and accurate observation a description of the reason why changes took place. The trouble with my hon. friends opposite is, and it was so apparent throughout the speech of their leader, they do not realize that things have changed. The hon. member for West Algoma—

Mr. Pearson: No, no.

Mr. Pickersgill: Algoma East.

Mr. Diefenbaker: The hon. member for Algoma East (Mr. Pearson) dealt with what the situation was in what he described as an agonizing reappraisal. He said there were reasons why the change had taken place. He indicated that the government had been too long in power.

Mr. Pearson: I did not say that.

Mr. Diefenbaker: In describing the situation he used the words that it had lost touch with the people, according to the quotation. He said that parliament needed to be restored in its prestige, that there was a breakdown apparently in communication between the grass and the brass. I ask you, Mr. Speaker, was not that what we had said over and over again? As a matter of fact that meeting was one of the greatest competitions in "who-dunit" of which I have ever read.

The former minister of finance accepted a major portion of the responsibility for what had happened because, as he said, the agricultural policy was not as it should have been. The only one who placed the blame elsewhere was my friend the hon. member for Essex East (Mr. Martin). He made a fighting speech in which he indicated that nobody was to blame but the people of Canada.

I mention that, because of the degree to which every stand that we have tried to take, that we have been developing in the last few months since coming into power, was subjected to a rather meticulous examination. We appreciate the fact, and it is a tribute to us, that those who formerly formed the government expect us to do more in 22 weeks than they did in almost 22 years. I cannot understand why the right hon. Leader of the Opposition did not move that vote of non-confidence. If the things that we are doing, the stands that we are taking, the direful prospect that he pictured for the future are in anticipation, why not discharge that constitutional action, the only one that can be taken, rather than simply touching the various matters referred to in the speech from the throne and ending up by what must have been regarded by him and those associated with him as the most defeatist attitude that any party could take in the circumstances.

Our purpose will be to bring before the House of Commons the various matters of legislation which have been set out in the speech from the throne. I am not going into detail on this occasion; I am simply going

to indicate some of the general principles that actuated us in proceeding so soon after the election to carry into effect those promises which we made.

We have great responsibilities as a new parliament meeting under circumstances which we inherited as a government. I refer to the trade situation with the United States wherein today we find ourselves, or did in June last, in the position of having an adverse trade balance of $1,300 million, and increasing year by year. We found ourselves in the position where inflation, to which reference was made by the Leader of the Opposition, was increasing. The cost of living had not been met. We found ourselves in the position that various segments of our population, because of the so-called tight-money policy being improperly applied, were hard hit. This policy brought about in various industries in our country a diminution in production and in productivity and a major reduction in employment. These are some of the things that we found we had inherited. We tried to meet the general situation that existed in unemployment and in particular in the housing industry by action to which reference was made this afternoon, by which $150 million was made available for the construction of small houses.

My right hon. friend mentioned the serious situation with regard to the marketing of wheat, the loss of markets. I ask, what did my hon. friends opposite do in the last two or three years while the markets for wheat were being lost? They ridiculed the endeavour on our part to bring about the establishment of sound economic conditions within our country. Throughout the years we asked them whether or not they would take action in connection with the convening of a commonwealth trade and economic conference. I am not going into the details, but from 1950 on they followed the course year by year of shutting their eyes to the situation that was developing in the loss of our trade and at the same time refusing to take effective action, or indeed any action, to meet the situation which was apparent on every hand. My right hon. friend mentioned the fact that we have already laid the foundations for that conference. He and others on the other side of the house said it could not be done. That conference is being called.

Mr. Martin (Essex East): Who ever said that?

Mr. Diefenbaker: That conference will achieve many of the aims that we have in mind. Certainly there is no reason whatsoever for the attitude taken by the former government of refusing to do anything, to deny the existence of those things and, having denied them for the past three or four years, now point out to us as the legatees of their failure to act that the things that they did not achieve in years have not been attained in a matter of months.

Yes, we took action on behalf of the coal industry in Nova Scotia and in British Columbia. In two points in those areas we took ad hoc action as soon as we came into power. We also have taken action with regard to one of the most serious situations in which Canadian agriculture found itself as a result of the dumping into Canada of agricultural products to the detriment of the Canadian farmer. Did they act? I am not going into the particulars on this occasion. The Minister of Agriculture and others will deal with it. The Canadian farmer found himself in a position where his market in Canada was unfairly challenged by imports into Canada at prices that gave every indication of having been based on other than ordinary commercial grounds, and everywhere across this country the former government failed to act in that regard.

I am not here for the purpose of going into that except to point out—and it is only because the Leader of the Opposition raised these matters—that they existed—

Mr. Martin (Essex East): And still do.

Mr. Diefenbaker: —for several years. The present government when it came into power acted as far as it could within the limitations that must necessarily confine its action until the convening of parliament. I am sure nobody will say that it was improper on our part to postpone the calling of parliament until October 14 in order to permit the events of the last few days to take place; for, after all, the plans had been made long in advance of the election campaign and it would have been, in my opinion, and I think in the opinion of the Leader of the Opposition, most improper to have done anything to change those plans in that regard.

I mention our program in general, what we intend to do, some of the ideas that we have, and I place before parliament in a general outline the development of those policies which we advocated while in opposition. I am going to start with a reference to the social policy. Our legislative program in this regard speaks for itself; it is in keeping with our philosophy, the need of action being taken, the need of action that should have been taken a great deal earlier, and effective action, in order to do something on behalf of those older citizens of our country who because of the very fact raised by the right honourable gentleman, the inflationary trend, found themselves caught in an impossible position.

Yet, what could they do? Knowing the situation they acted, but they acted in such

a way that it in no way met the dire position in which many of our elder citizens found themselves. As has been set out in the speech from the throne, we intend to place before parliament measures to improve the lot of the senior members of our society; to increase old age security pensions and to shorten the period of residence required to qualify for them. Changes will be proposed also in the terms of assistance in so far as the Old Age Assistance Act is concerned, the Blind Persons Act and the Disabled Persons Act. Further changes will be made on behalf of the war veterans in the payment of war veterans' allowances.

These things would have been passed by any previous parliament if it had not been for the fact that the government of my right hon. friend refused to act in this connection and the members who supported him stood behind him in his refusal to act. My right hon. friend spoke of parliament and asked whether changes would be brought about. He spoke of the need for full debate in parliament and I could not be more in agreement with him. There is need for careful examination, full consideration and debate that is not muzzled in anticipation by the application of closure.

I mention that as one of the most serious examples of the curtailment of the ancient rights of parliament. Apparently my right hon. friend looks back upon the course of action followed in 1956 with some regret, for in indicating to us the need for full discussion he pointed out, and properly so, that the essence of parliamentary government is full discussion. You say, what are we going to do about that? Well closure had its place, if properly used, in order to prevent an unjustifiable action on the part of the opposition as against the government of the day after a debate lasting for a very considerable period of time. We found out, however, that closure, necessary as it has been proven to be in times past, not only in our own parliament but in other parliaments within the commonwealth, under our rules constitutes an open invitation to the curtailment of fair and reasonable debate, indeed to the imprisonment of parliament by the government.

During the election campaign I said, and I am unchanged in this viewpoint, that having regard to its potential danger, as was evidenced so clearly so short a time ago, we intend at the first opportunity to move the necessary motion in order to remove closure from the rules of the House of Commons, to the end that parliament will be restored to something of its ancient glory. That is the first step. We have a tremendous responsibility in this parliament to restore in the hearts of the people something of the prestige of parliament. I am not entering into a discussion as to who was responsible, I am saying that if we are to make this institution the great and abiding institution that it should be to fashion freedom the responsibility will fall on each and every one in this parliament to so conduct himself that, in co-operation, we together, without in any way measuring the responsibility of any member of this house, will make our contribution to the restoration of this parliament to its proper position.

I mentioned the question of social security. I mention now the next matter to which reference is made, the subject of agriculture. I am merely going to give a general idea of some of the steps we shall take in this regard. Naturally I cannot reveal the particulars of the legislative program. I point out, however, that because parliament was not to sit until October 14 one of our first acts in order to meet the situation in which the western farmer found himself, with a vast accumulation of wheat—yes, underestimated by the last government by 75 million bushels which we only ascertained since coming into power—was to continue the loan legislation. This would meet the needs of those who chose to use the available facilities until such time as parliament might meet.

I am hoping that my hon. friends in all parts of the house will agree within the next few days, in view of the serious situation in western Canada, on the need of doing something to advance the legislation even prior to the completion of the present debate. As a matter of fact, I would not have made that suggestion if it had not been indicated there is to be no challenge so far as the official opposition is concerned. Since that is so, there is no reason now why we should not, at the earliest possible date, proceed with the introduction of the resolution and, as soon as possible, bring about the enactment of legislation if parliament will accept the recommendation of this government.

My right hon. friend said that markets were better than cash advances. I agree with him, but where have the markets been? What does one do about the 700 million bushels piled up—not under this government? It was a very great thought to place before parliament the superiority of markets and sales to advances. We supported advances when we were in opposition. We believed they were necessary. We stated that the loan system would not be acceptable. I think, in general, the farm communities of

the western provinces agreed with our contention that the loan system was one that placed the farmer in the position of actually having to pay for a loan on his earnings because he could sell only through the government or its agencies. We intend to introduce this legislation at the earliest possible date.

We intend as well, as has been outlined, through the necessary legislation to lay the foundation for the stabilization of agricultural prices at reasonable levels, taking into consideration market conditions and also the costs of production. We intend to proceed with that program as a safeguard program on behalf of the farmer, as a beginning of a long-term policy to bring about security and stability to the farming population of this country. It is a positive program beginning with the legislation which we will introduce, to be expanded on the basis of experience, which after all is necessary and requisite if the legislation is to be effectual.

In addition to the fact that the farmers have not had stability, one of the major causes of disaffection has been the fact that—this is somewhat different from the situation in the United States where the farmer's share of the consumer dollar has been going up—in Canada in the past seven or eight years the farmer's share of the consumer dollar has been going down. The farmers have been asking for an investigation in this connection for the purpose of arriving at a true conclusion or for an actual explanation of the reason for this peculiar paradoxical course having regard to what is happening in the United States. In order to bring about the beginnings of an investigation of this situation I believe that members of parliament themselves in committee might make an investigation into this matter. If at any time, because of the complexities and difficulties which are incident to the examination, it is found that the matter is too widespread and too complex for a committee to handle, in that case we should certainly consider the setting up of a royal commission to investigate this matter to the end that as a result of that investigation and of the recommendations made the action necessary and requisite could be taken.

As far as the agricultural policy is concerned, I mentioned earlier that we had taken emergent action. We took emergent action in July by placing turkeys under price support. We took action by import control some days later in order to prevent Canada's farmers and producers of turkeys from being actually inundated by vast imports that had been increasing over the last several years. In addition to that, in so far as fowl is concerned, we place fowl under price support and also under import control. Both of these actions have received the approval of organized agriculture.

As well action was taken under import control in reference to dry skim milk, the import provisions to continue in effect until May 31, 1958. This was the only action that we could take consistent with the responsibility of parliament and of parliamentary control.

Then there is the next matter to which I wish to make reference and this has to do with the question of a national development policy. I am not going into detail in this connection except to say this. Throughout the last number of years we have been advocating a policy to raise the horizons of the Canadian people, to give Canadians some conception and vision of the greatness of the future, to bring about a policy of co-operation as between the central government and the provincial governments when they ask for co-operation in order to enable the formulation of a national development policy whereby our resources may be developed for the maximum benefit of Canada. In that connection we must move in those areas that are particularly affected and find themselves in a position below the level of the general register of advancement and development in other parts of Canada. This afternoon a question was asked as to what was the attitude with regard to one matter affecting the maritime provinces. The answer is given in the speech from the throne in these words:

> As an immediate start upon a program of more extensive development in the Atlantic provinces, you will be asked to authorize, in joint action with the provincial governments, the creation of facilities for the production and transmission of cheaper electric power in those provinces.

My right hon. friend said that apparently we changed their policy and that the federal government was going to undertake complete financing of the power facilities in the maritimes. I have not his speech here with me on this occasion but as I recall it, he spoke in the city of Fredericton and when asked whether this policy would provide cheaper power was unable to give any assurance in that direction. The difference between the policy we advance, in so far as the assured objective is concerned, and the policy advanced by him is this: The policy that we intend to place before parliament will bring about cheaper power to the end that industrialization may be extended in the maritime provinces. A policy of regional underdevelopment, as long as the problem remains unsolved, will permit the richer provinces to grow richer and the poorer provinces by

reason of a lack of cheaper power, to become industrially poorer with advancing years. In other words, there will be an unbalanced economic growth. The maritimes, the provinces by the sea, found themselves neglected by the former government. In the dying days of the last session there was placed before parliament a dish which, under that shrewd examination that maritimers give, was recognized as not being one palatable or in any way desirable.

In addition to that we intend to provide assistance in financing the Beechwood project. My right hon. friend says that the financing will all be done by the provinces. For a considerable period of time the people of New Brunswick asked for some financial assistance or guarantee from the last government. We believe that in connection with the development of the maritimes and in the general concept of our national development the Beechwood project is one of those facets that deserve the national assistance of the people of Canada.

My hon. friend asked a question on the orders of the day regarding the matter of coal subventions. Well, throughout the years my hon. New Brunswick friends in the Conservative party have been asking for action in this regard. No action was taken. Indications were given at election time that action might be taken but, with the passing of the election, there was forgetfulness of the promise. As an integral part of the power development of the maritime provinces and also out of consideration for the situation prevalent in the coal producing areas of the maritimes, we believe the time has come to inaugurate a system of freight subventions for the removal of coal for power purposes within that area. That will serve two purposes: first it will provide a steadily increasing demand for maritime coal and also do much to stabilize the coal industry, reduce the cost of power and in consequence render the climate clement for expanded industrialization and the raising of economic standards in the maritime provinces. That is of the essence and that is also of the essence of this policy of national development.

My right hon. friend mentioned the South Saskatchewan dam. I am sure that if at any time the right hon. gentleman had accepted the advice of the right hon. member for Melville (Mr. Gardiner) there would have been no question as to whether or not that development plan was feasible, indeed more than that was necessary for the diversification of industry within the province of Saskatchewan and to provide in addition thereto the restoration of large land areas which for many years have had successive periods of drought and of plenty.

[Mr. Diefenbaker.]

Various plans have been offered as far as this government is concerned as a result of the examination made by the engineers and on the basis of reports the feasibility of this scheme seems to us beyond doubt. However there are difficulties to be ironed out in connection with the project and its implementation. There have been many representations and, throughout the years, the exchange of many documents between the government of Saskatchewan and the government of Canada, culminating finally in the month of May last with a clear indication by the last government that no decision had been arrived at. We want to state immediately, with no desire other than the assurance of the protection of the public interest, the proper financing as between this government and the government of Saskatchewan, and the allocation to the province of Saskatchewan and its government of the primary responsibilities for those things which are a provincial responsibility alone, that we intend to proceed at the earliest possible date to the commencement of this project, after it has received—I hope it will—the approval of parliament.

Throughout the years this party has taken a strong and definite stand in this regard. This is one of those things which we are including in our general development plan for expansion in our country and the equalization of opportunity. This is a project which deserves primary consideration.

We start with the maritimes and there is the province of Saskatchewan project to which I have just referred, and then there will of course be considered the great Columbia river plan in the province of British Columbia, respecting which further will be said at a later date. Today we are endeavouring to bring about a favourable settlement of the international problems that are incident to an international river in order to clear the way for a joint program so that the province of British Columbia may be able to develop this power project for the benefit, not only of the people of British Columbia but of the people of Canada as a whole.

These are but few of the major matters which will be dealt with during this session. As far as the international situation is concerned I intended to say no more at this time. Having regard to the developments that are now taking place and which have taken place in recent weeks we must not become apathetic. The international field still holds its grasp on the hearts of all mankind.

My hope is that while the disarmament program offered by the nations of the free world was turned down by the U.S.S.R., in the United Nations today there is springing

up a feeling that serious reconsideration must be given, and will be given, to the whole question of disarmament. We must not allow ourselves to become frightened as a result of this moon that passes by us several times a day, but we must, each and every one of us, so dedicate ourselves to our cause that it cannot be said of us that we did not make our maximum contribution and go to the extreme limits in securing agreement consistent with our security and the maintenance of freedom.

We of Canada, realizing that we live in the tremendous peril of a surprise attack, as do our neighbours in the United States, laid before the disarmament committee—as I also did before the United Nations—Canada's willingness to render open for inspection all parts of the Arctic, providing some correlated action was taken by the U.S.S.R. That would have been a step forward and would have provided for the initiation of a more widely accepted disarmament plan. The suggestion that was advanced by those five countries composing the committee was turned down. We in Canada believe that we went to the very limit in that direction in order to make it apparent to the world and to the U.S.S.R. that we at least, having regard to our strategic position—and we were joined in this by the United States equally—have nothing to hide and that our joint purposes with the United States on this continent are peaceful and not aggressive.

I am looking forward to an opportunity for an early debate on international affairs wherein, providing the electors elect him to the House of Commons, Dr. Sidney Smith will be able to present to parliament as he is now presenting to the United Nations the policies of this country in regard to external affairs.

The Leader of the Opposition said today that in general there is no disagreement regarding external affairs. That has always been our stand. We have endeavoured to the limit of our responsibilities while in opposition so to chart our course that in the international field the nations would know that when the hon. member for Algoma East and those associated with him spoke in the United Nations they were speaking for Canada, and we have not gone back, as was so direfully predicted, in the field of international affairs. Indeed this is indicated by the fact that Canada has in the last few days been chosen a member of the security council, a new responsibility in keeping with Canada's international position.

I intend to conclude by one personal reference. Throughout the years in which I have been in public life, my course has not been directed to personalities or to building up animosities against those on the other side of the house. The Leader of the Opposition mentioned the recent change in government and remarked how it had changed so calmly, so smoothly, so unaffectedly. What he said was true. That change epitomized something of the concept of true democracy. There was no acrimony; there was simply a meeting of minds, and I speak not only for myself but also for my colleagues when I express feelings of deep regret that the right hon. Leader of the Opposition, by reason of those things that come to us in life, should have found it necessary to take the course that he has.

Mr. Speaker, as one who sat on the other side of the house for a long while—so long, in fact, that my right hon. friend had finally reached the point where he is referred to by everyone as I referred to him earlier this afternoon—I extend to him on behalf of this party every good wish. That is the wish of all Canadians and with his permission I am going to go one step further, for after all it does no harm for anyone to make the admission that I am about to make. In all the years I have sat in this house I have never had cause at any time to find that my right hon. friend in anything he said to me told me other than the facts; and that is the highest tribute that can be paid to a political opponent—that in the acrimony of debate and among those things that separate us we still maintain in our system a regard for the better things of life. I regret that the right hon. gentleman has found it necessary to make the decision he has, and it is for that reason that I speak these words on this occasion from a very sincere and full heart.

Now, with regard to the other matters in the speech from the throne may I say that they will be dealt with in the course of the ensuing days. I think there is nothing further that I can say at this time except that we intend to get on with the business of the house, in no way denying in the slightest degree the fullest discharge of responsible government which consists in discussion, consideration and full examination. That is the kind of parliament that the Canadian people ask for; that is the kind of parliament that I hope the Canadian people will receive.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, may I be allowed on this occasion to extend to the Prime Minister (Mr. Diefenbaker) and to hon. members of the Conservative party congratulations on the victory they won at the polls on June 10. I do not think that needs to be misinterpreted in any way, but I think the achievement was, in itself, something that was unexpected by most of the people of Canada.

May I say to the Prime Minister that I have known him for a good many years. I knew of his energy, I knew of his ability, and one of my thoughts during the election was that he might jeopardize his health. But when I look across at him today I find that his physical condition seems vastly improved.

I should like to add my word to those that were spoken by the Prime Minister regarding the Leader of the Opposition (Mr. St. Laurent). My first association with him was at the San Francisco conference in 1945 when we were both members of the Canadian delegation, and later we were together as delegates to the United Nations assembly at Lake Success. I grew to understand him and to respect him and, like the Prime Minister, I am indeed sorry that he has found it necessary because of health to tell his party that as soon as they can find a suitable successor he is prepared to resign as leader of the Liberal party.

The Prime Minister said that because we are divided in this house it does not mean that there are personal animosities or differences. Indeed during the years that the Leader of the Opposition has been with us he has earned our respect in every quarter of the house.

Yesterday I would have liked to have risen for a few moments to congratulate the former secretary of state for external affairs, the hon. member for Algoma East (Mr. Pearson). I was delighted when I learned that he had been so signally honoured by being awarded the Nobel prize. I got to know the hon. member for Algoma East very well at San Francisco where he was a principal advisor of our delegation and from time to time I worked with him at the United Nations. I think the award was never given more deservedly than on the occasion when it was presented to the former secretary of state for external affairs.

Yesterday, too, I listened with interest to the mover and the seconder of the address in reply to the speech from the throne and I want to congratulate both hon. gentlemen most sincerely. The hon. member for Calgary South (Mr. Smith) reminded me so forcibly of the fine gentleman who bore his name and for whom we all came to hold a great deal of affection. I hope that during his term in parliament, be it long or short, he too will have his wish fulfilled and when the time comes he will also leave with the good wishes and good feelings of the house as did his respected father a few years ago.

I also wish to extend to the hon. member for Bonaventure (Mr. Arsenault) my congratulations. I only wish I had the facility that he has in speaking the two official languages of this country and participating in the debate in the manner in which he did.

Of course this house today is meeting under extremely interesting circumstances. Apart altogether from the visit of Her Majesty the Queen which we have so much enjoyed, this house is different to any in which I have sat. I have been here since 1935 and this of course is the first time since I have been in this house when no party had a majority. Not since December, 1925 has a party failed to secure a majority of seats in this house.

In January 1926 the government met under somewhat similar but not analagous circumstances. At that time a small group in the house headed by the gentleman who preceded me as leader of the C.C.F., Mr. J. S. Woodsworth, held the balance of power. No party in this house can be said to hold a balance of power in that sense. I recollect that that was a very fruitful parliament. It lasted only six months but during that time our senior citizens received the first indication that this house would grant old age pension legislation and Mr. J. S. Woodsworth, then of Winnipeg North Centre, received that pledge in a letter of which we are rather proud and which we have framed in our national office.

I remember, too, it was in that session that we got the Hudson Bay railway which we in western Canada had looked forward to for many years. We also received a promise of consideration of unemployment insurance. Although it did not come into existence for 14 years we did receive the promise of consideration of it before the house dissolved in July 1926.

As I say, no party in this house today has a position analagous to that then held by Mr. Woodsworth and his friends. Nevertheless it is quite obvious from the speech from the throne that the government is anxious to secure support for legislation which has been promoted across this country, not by one party but by several parties, and, if I may say so, through the years we in this group have been particularly interested ourselves in improving the situation with respect to our senior citizens and in doing something with regard to farm prices. Under that pressure—whether it was needed or not is a question that everyone will have to decide for himself—we shall I hope get some fruitful legislation from this parliament before it dissolves.

The speech from the throne does foreshadow legislation in which we are indeed interested as a party. When this legislation comes down I do not imagine it will go quite as far as we would wish but whatever instalments are made will receive our support and the government can be assured of that.

We were pleased to find in the speech from the throne reference to increased pensions for our senior citizens with a reduction in the period for qualification. May I add one other thing? I think the residential qualification should be discontinued. If a senior citizen wishes to reside perhaps in the United Kingdom or even across the line in the United States or elsewhere, the pension should be paid as of right. I say it should be paid as of right today because all the people are paying directly for it. This is no longer a gift from the treasury as it was. Right from the time a young Canadian begins to earn he is going to pay 2 per cent of his personal income tax into the social security fund. Two per cent of the corporation tax and 2 per cent of the sales tax which everybody pays also will go into that fund. Our citizens are paying a fairly substantial premium if it is considered over the working period of life of a young man or woman today. The disqualification on account of residence outside the borders of Canada should, we think, be eliminated as well as the time for qualification reduced as is foreshadowed in the speech from the throne. It is our contention that this pension should be paid as of right.

I regret that in the realm of social security there is no mention of improvement in the national hospitalization plan in the speech from the throne. I look forward to the time when we shall have a comprehensive health plan in this country which will benefit every citizen of this country, regardless of the length of the purse, and provide the best care and treatment that medical science can make available. While we made a short step in the last parliament I should have liked to see the plan extended even if only to the extent of bringing under the hospitalization plan now on the statute books tubercular patients and patients suffering from mental disease.

I could go into other social security measures which I have in mind but I want to speak of some other matters so I must not dwell at too great length on this question. Because of the restrictions of time I am not even going to spend a great deal of time discussing the South Saskatchewan river dam project. I will only say when I was a new member of the house years ago I advocated from my seat on this side of the chamber consideration of irrigation and of a South Saskatchewan river plan. Consequently we are fully in favour of the negotiations for a firm and fair agreement with the government of Saskatchewan and the commencement of the dam at the very earliest possible date.

We are told we have to diversify agriculture and some farmers must get out of wheat production. I may have something more to say on that subject in a moment but I wish now to comment that irrigation is one way perhaps of taking areas of land out of wheat production and putting them into some other forms of agricultural production.

We in this group also welcome the outlined suggestions in the speech from the throne regarding agriculture. We agree that agricultural returns have been quite inadequate. We agree that our farmers need a proper share of the national income. We even go further than that and say the farmers' share of the national income should be based on a parity price system so that they may receive for their production returns comparable to what they have to pay to produce their crops and to live in our midst. We have been advocating this for a long time in the house and it is again encouraging to know the government intends to go some distance toward the stabilization of agricultural prices even if they do not go the whole distance we would go, in the establishment of a parity price system. I may add that this step forward will receive our support.

Of course we have long advocated advance payments on farm-stored grain. I am under no illusions; we are under no illusions; we know that this is purely a temporary step. It can only mitigate. The advance payments will help the farmer at the beginning of the new crop year, but it is not a solution to the agricultural problems, though it will provide a measure of very welcome relief. A solution can only come from increased sales, increased exports and increased returns. These are not in sight in spite of world food shortages. International agencies point out that there are continuous and increasing food shortages. The world problem is not overproduction; it is surely one of underconsumption. There is, as the food and agriculture organization of the United Nations recognizes, all over the world a problem of underconsumption.

To cut back production in wheat and transfer to cattle, hogs and other farm commodities on a large scale, as proposed by the Minister of Trade and Commerce (Mr. Churchill), struck me as being a counsel of despair. Ultimately it would merely spread the burden of surpluses around and increase the burden of those surpluses elsewhere. We should be proposing and supporting policies to expand consumption on a world-wide scale.

I am now going to interrupt this trend of thought because I want to move an amendment which I have at hand. If the house will permit me, I shall discuss this amendment

when we resume this debate tomorrow. I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the following words be added to the address:

This house welcomes the measures indicated in the speech from the throne and urges that these measures be placed before parliament with the least possible delay in order that the benefits proposed therein might accrue to the Canadian people at once. We respectfully submit, however, that in the opinion of this house Your Majesty's advisers should give immediate consideration to the advisability of taking steps to deal with the menace of inflation, rapidly rising unemployment and other serious problems facing this country. We call upon the government to give immediate effect to the social and economic planning necessary to cope with these problems.

You will observe we believe—and I shall develop this a little later—that we need national social and economic planning. That means, of course, that there must be some public control over our economy and some public direction given to it. I know that hon. gentlemen in various parts of the house have on occasion disagreed with this concept of national planning, but without national planning I am convinced that on a long-term basis the problems that are facing us today can neither be dealt with adequately nor can they be solved.

I would like you to call it six o'clock, Mr. Speaker.

On motion of Mr. Coldwell the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Green: Mr. Speaker, tomorrow we intend to ask for interim supply, the need having been explained yesterday by the Minister of Finance. Then, if and when that is agreed to, we shall continue with the debate on the throne speech. In order that we do not lose the time from eleven o'clock to one o'clock, it is necessary that a motion be put through this afternoon. I would ask unanimous consent to revert to motions in order that I may move a motion to bring about that result.

Mr. Speaker: Has the hon. gentleman unanimous consent to revert to motions?

Some hon. Members: Agreed.

ORDER OF BUSINESS FOR THURSDAY, OCTOBER 17

Hon. Howard C. Green (Minister of Public Works): I move, seconded by the Minister of Finance:

That on Thursday next, government orders shall have precedence over all other business except the ordinary daily routine of business; the house shall meet at 11.00 a.m., and the provisions of standing order 2(1) with respect to the time of meeting shall be suspended in relation thereto.

If that motion were not moved we could not meet until 2.30 p.m. There will be time taken up in considering interim supply and I would hope that later on in the throne speech debate it would be possible to make some arrangement so that we do not lose the whole of tomorrow's time on the throne speech. In other words, if it takes us two hours on interim supply, then we would give that extra time at the conclusion of the regular 10 days.

Mr. Marler: Is that the significance of the second part of the motion?

Mr. Green: No; the motion has nothing whatever to do with it.

Mr. Speaker: The Clerk raises the question whether unanimous consent extends to the resumption of the debate on the address after the business covered by the motion, and I should like to ask the house whether I may assume that the consent does extend to that as well?

Some hon. Members: Agreed.

Motion agreed to.

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, October 17, 1957

The house met at eleven o'clock.

HER MAJESTY THE QUEEN

MESSAGES FROM AND TO THE PRIME MINISTER

Hon. Howard C. Green (Acting Prime Minister): Mr. Speaker, the members of the house I am sure will be happy to hear the gracious message received from Her Majesty by the Prime Minister (Mr. Diefenbaker) yesterday afternoon. The Prime Minister wired her subsequent to her departure in the following words:

As Your Majesty and Prince Philip leave Ottawa to visit the United States of America I send you, with humble duty, a message of loyalty and love from all Canadians. During this historic stay Your Majesty has strengthened in us all our pride in Canada and in Canada's Queen. It is with high hope that you will come to us soon again that I bid you au revoir. May God bless Your Majesty and Prince Philip.

And the reply from Her Majesty reads as follows:

The very kind telegram which you sent to me and to my husband reached us as our aircraft took off from Uplands. I deeply appreciate the message of loyalty which it contains. We have both enjoyed to the full our days at Ottawa and keenly look forward to our return. We send our best wishes and thanks to Mrs. Diefenbaker and yourself.

BRIDGES

ALASKA HIGHWAY—DISRUPTION OF COMMUNICATIONS OVER PEACE RIVER

On the orders of the day:

Hon. James Sinclair (Coast-Capilano): Mr. Speaker, I would ask the Minister of National Defence whether he can tell the house what action his department will take to replace the bridge at Peace river on the Alaska highway which yesterday, unfortunately, fell into the river and so disrupted communications to our northland.

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, yesterday afternoon I was advised by the commander of the northwest highway system that the north anchor and the north cable bent of the bridge on the Alaska highway over the Peace river at Taylor flats had moved some six feet during the night of the 15-16 October.

Hon. members will recall that the bridge was built in 1942 by United States army engineers during the construction of the Alaska highway. Traffic across the bridge was stopped immediately, and we are seeking suitable means to keep it moving by other routes.

The premier of British Columbia with whom I spoke yesterday afternoon offered the use of the new P.G.E. railway bridge. The feasibility of using that bridge is now being looked into. It is some miles upstream from the site and would require the construction of seven or eight miles of new roads and would also require planking; the rails of the railway have not yet been laid across the bridge. There is also a ferry at Clayhurst which is some 10 miles downstream. That is now operated day and night, and we have made arrangements to collect material nearer to the site of the Peace river bridge in the hope that a larger ferry may be operated there immediately. I have also sent Dr. P. L. Pratley, a well-known engineering consultant from Montreal, to carry out an on the site inspection and he is now flying to the Peace river.

I had further word this morning before I came into the house saying that the Peace river bridge is all down from the north abutment to the north pier including north cable bent. The remainder was intact, as at 2200 hours last night, but the north pier and tower may be slightly shifted.

Mr. Sinclair: Thank you.

PIPE LINES

NORTHERN ONTARIO PIPE LINE CROWN CORPORATION—WINTER CONSTRUCTION

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I would like to address this question to the Minister of Trade and Commerce. Is there any provision in the contract to be let for the pipe line east of the lakehead under the aegis of the Northern Ontario Pipe Line Crown Corporation for the clearing and rock work to be started during the late fall and winter season as a means of easing the growing unemployment problem in this area?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I would like to thank the hon. member for giving me notice of this question. I would also like to welcome him to this house as a former comrade in arms in the 12th Manitoba Dragoons, and to congratulate him on his campaign last spring which was as successful in its results as his campaign in the second world war.

Inquiries of the Ministry

With regard to his question, the contracts for the new construction that will be done on the second main leg of the Northern Ontario Pipe Line Crown Corporation line, running from, say, Port Arthur to Kapuskasing, will be let very soon. Whether or not the clearing may be done in the winter is something which will be looked into, and I thank the hon. member for drawing this to my attention. It may not be possible to do much of the rock work in the wintertime because of the very extensive blasting which is required in some of these sections, but I will have this matter investigated, and should I receive further information I will bring it to the hon. member's attention.

LIVESTOCK

REPORTED OUTBREAK OF HOG CHOLERA AT LEAMINGTON, ONTARIO

On the orders of the day:

Hon. Douglas S. Harkness (Minister of Agriculture): Mr. Speaker, I regret to inform the house that an outbreak of hog cholera has occurred, and I think it advisable at this time to make a statement in connection with it so that exaggerated rumours may not be circulated. The statement is as follows.

Hog cholera was identified on October 15 by clinical and post mortem findings on premises at Leamington, Ontario. Forty-five swine were involved. The premises have been placed under quarantine and the hogs were slaughtered on the same date. Payment of compensation to the owner will be made.

The swine were purchased through a community auction sale on September 26. As a precautionary measure the auction premises were placed under quarantine pending a thorough cleaning and disinfection, which has now been accomplished. All recent swine sales from the auction premises and all possible contacts with the herd are being examined for evidence of the disease. No further cases have been identified to the present. Hogs on all premises adjoining the infected farm are being treated with anti-hog cholera serum as a precautionary measure.

The last outbreak of hog cholera occurred in western Ontario during May to December, 1953. We hope that the prompt action taken to control this outbreak will be successful, and that it will be confined within a very small area.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I would like to direct a question to the Minister of Agriculture arising out of his statement on the outbreak of hog cholera. Has any decision been made as to the basis of compensation to be paid to the owners of animals that are destroyed, and is the department or the minister giving any consideration to bring in amendments to the Animal Contagious Diseases Act setting forth the basis of compensation so we shall not have any risk of repeating the situation which occurred this spring in regard to the fantastic payments for sheep?

Mr. Harkness: Mr. Speaker, if my memory serves me right the basis for compensation as far as swine are concerned is the market value at the time of their destruction.

HOGS—INQUIRY AS TO COMPLAINTS CONCERNING GRADING

On the orders of the day:

Mr. F. D. Shaw (Red Deer): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. Notice has also been given in this instance. During the past eight months, has the minister or livestock division of his department received complaints respecting the grading of hogs in Alberta by federal government graders? If so, what action was taken with respect to such complaints?

Hon. Douglas S. Harkness (Minister of Agriculture): I wish to thank the hon. member for his notice in connection with this question. The answer is as follows. The only complaint with respect to the grading of hogs in Alberta received by the department during the past eight months was a resolution passed at the annual meeting of the Alberta Livestock Co-Operative Limited alleging severity and inconsistency in grading and requesting that graders be rotated weekly from plant to plant. The complaint was of a general character containing no specific charges or evidence to support the general charges.

The application of national standards for hog carcasses on a uniform basis is recognized as being of prime importance and regular checks are made to achieve this objective. The rotation of graders between plants has been a recognized part of the program. They are rotated on a monthly basis, and it is not felt that more frequent rotation would add to the efficiency.

The situation was fully explained in a letter dated September 17, 1957, which I addressed to the secretary-treasurer of the Alberta Livestock Co-Operative Limited.

HIGHWAYS

FLIN FLON-HANSON LAKE—INQUIRY AS TO CONSTRUCTION

On the orders of the day:

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, I wish to address a question to the Minister of Northern Affairs and National Resources. When the minister was out west recently, was he able to discuss with the Saskatchewan government the building of the Flin Flon-Hanson lake mining development road as a joint project? If so, does the minister expect that an agreement can be reached in time to begin construction in 1958?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, the hon. member for Mackenzie was good enough to give me notice of this question two days ago, and I have the answer to the first part of his question. Yes; there was an oral discussion with one of the members of the government of Saskatchewan on my trip west.

In answer to the part of the question dealing with construction, I think it should be made known at this time that several provinces are concerned in this general policy of the development of northern roads, and that several departments of government are also concerned. In view of the priority being given this session to the needs of the aged, the veterans and the farmers, we have been unable to move as fast as we in the department would have liked.

I may point out that in the speech from the throne it is stated that there will be announcements from time to time regarding these projects, and knowing my interest in this matter I think the hon. member can be assured that as soon as we are able to get agreement with the province of Saskatchewan and some of the other provinces an announcement will be made in this house.

AGRICULTURE

ALL-RISK CROP INSURANCE LEGISLATION

On the orders of the day:

Mr. Victor Quelch (Acadia): Mr. Speaker, I would like to address a question to the Minister of Agriculture. Could the minister inform the house whether a request has been made by any of the provincial governments to the federal government for the enactment of a national all-risk crop insurance act, and if so by which provinces?

Hon. Douglas S. Harkness (Minister of Agriculture): Mr. Speaker, I should like to thank the hon. member for having given me notice of this question. We have had no official request from any of the provincial governments in connection with an all-risk crop insurance act. However, when the provincial ministers of agriculture met with me here on September 5 and 6 we had a good deal of discussion in connection with this particular matter, the desirability of putting some form of crop insurance into effect was spoken of by most of the provincial ministers present, and we in the department have been giving a considerable amount of study to this matter.

[*Later:*]

Mr. Peter Stefura (Vegreville): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Does the government plan to bring down legislation this session to inaugurate an all-risk crop insurance plan in conjunction with the provinces interested?

Mr. Harkness: Mr. Speaker, I think I indicated more or less a few minutes ago what was the answer to that question. The matter is under study, and we have no definite representations from any of the provinces as far as any particular scheme or schemes are concerned.

CANADIAN NATIONAL RAILWAYS

PRINCE RUPERT, B.C.—RELEASE OF PROPERTY FOR INDUSTRIAL USE

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a question to the Minister of Transport. Could the minister advise the house what progress is being made with respect to the release of certain waterfront property in Prince Rupert, B.C., now held by the Canadian National Railways, the request for the release of the property being made by an individual who wishes to build a manufacturing plant revolving around the lumber industry?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, such an application has not been brought to my notice. I shall inquire of my department and give an answer tomorrow.

CANALS

CHIGNECTO—INQUIRY AS TO PERSONNEL ENGAGED IN SURVEY

On the orders of the day:

Mr. Henry Murphy (Westmorland): Mr. Speaker, I would like to direct a question to the Minister of Transport in view of his answer on Tuesday that his department has

under consideration transport and allied problems. That was in answer to a question about the Chignecto canal.

Could the minister tell me what persons are engaged in inquiring into the technical aspects of the Chignecto canal and what is the experience of these persons in determining the present day costs of a project of this kind?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I think it is obvious to all members of the house that this type of question should be placed on the order paper, and I would ask that this be done at the present time.

SHIPPING

SAINT JOHN, N.B.—INQUIRY INTO SINKING OF PILOT BOAT

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, we appear to be keeping the Minister of Transport busy this morning. My question is also addressed to him and it is this. Is the minister now prepared to release the findings of an inquiry which was held in Saint John, New Brunswick, on February 6, 7 and 8, 1957, into the sinking of pilot boat No. 1 with the loss of seven lives on January 14 last?

Hon. George H. Hees (Minister of Transport): Yes, Mr. Speaker. I want to thank the hon. member for his thoughtfulness in providing me with notice of his desire to ask this question. The findings of the board of investigation are now available for examination and will be made available to any interested party.

INDUSTRY

POLYMER CORPORATION—DEVELOPMENT AT RED DEER, ALBERTA

On the orders of the day:

Mr. F. D. Shaw (Red Deer): Mr. Speaker, I should like to address a question to the Minister of Public Works, notice of which has been given. Can the minister indicate to the house whether or not Polymer Corporation intends to proceed with its original plan to establish a subsidiary near Red Deer, Alberta?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, may I thank the hon. member for giving me notice of this question. I am very glad to be able to assure him that it is the intention of the Polymer Corporation to proceed with the establishment of a subsidiary near Red Deer.

[Mr. Murphy (Westmorland).]

HARBOURS

HAMILTON, ONTARIO—INQUIRY AS TO LOAN FOR CONSTRUCTION OF ADDITIONAL FACILITIES

On the orders of the day:

Mr. R. M. T. McDonald (Hamilton South): Mr. Speaker, I do not wish to take time from the opposition today, but as a supporter of the government I would like to ask a technical question of the Minister of Transport. Is the government giving consideration to the application of the Hamilton harbour commission for a loan to assist in the construction of additional harbour facilities in the third largest harbour in Canada?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, later this session I expect to be presenting a bill to parliament asking for authorization to make a loan of $4,100,000 to the Hamilton harbour commission to assist that commission in the construction of three additional and much needed port facilities for that harbour.

Mr. Martin (Essex East): What about Windsor?

CROWN CORPORATIONS

INQUIRY AS TO DIRECTORSHIPS HELD BY OFFICERS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce. In view of certain information that was obtained in this house during the closing week of the last session can the minister now assure the house that there are no instances of heads of crown corporations being at the same time directors of private companies or corporations?

Hon. Gordon Churchill (Minister of Trade and Commerce): I will take notice of that question, Mr. Speaker, and make a statement later on in reply.

FREIGHT RATES

STATEMENT ON REQUEST FOR DELAY IN GRANTING PROPOSED INCREASE

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, yesterday the hon. member for Bow River (Mr. Johnston) asked me a question dealing with the freight rate application now before the board of transport commissioners. In a supplementary question he said, as reported at page 35 of *Hansard*:

> Is it not true that the 4 per cent of that 10 per cent which was granted on September 24 will become effective unless some steps are taken by the government?

I replied to him yesterday that I was not aware that any award of 4 per cent had been made but that I would make inquiries and answer today. I am glad to assure the hon. member and the house that no award was made on September 24, but simply the hearings before the board were resumed on that date.

The case which is now proceeding before the board of transport commissioners is in continuation of an application made on May 15, 1956, for authority to increase freight rates, with some exceptions, by 15 per cent. On June 18, 1956, the board permitted an interim increase of 7 per cent and later, on December 17, 1956, allowed an 11 per cent increase in lieu of the 7 per cent.

On August 30, 1957, the railways amended their application to seek a further 10 per cent increase instead of the 4 per cent left in abeyance. It is only this matter which is now being heard and which, as I stated yesterday, will not be concluded until all parties are given an adequate opportunity of being heard. Of course I should state, as has been stated previously in this house, that the board of transport commissioners is a court of record, constituted as such by parliament. Its decisions are subject to appeal, as the Railway Act provides, but meanwhile the matter is sub judice.

Yesterday the railways completed their evidence before the board. Starting today those opposing the application will begin to present their evidence and, as I said yesterday, everyone who desires to make a presentation before the board in this case will, of course, be given adequate opportunity to do so.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, may I ask a supplementary question. Will the minister bring the house up to date as to the progress the board is making in the equalization of freight rates, so that any future increases in freight rates may be applied in an equal and equitable manner instead of the discriminatory manner in which they have been made in the past?

Mr. Hees: Mr. Speaker, that is a rather large subject. I will take the question as notice and deal with it tomorrow.

CANADA ELECTIONS ACT

REQUEST FOR INCREASE IN RATE PAID FOR PRINTING OF VOTERS' LISTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the first lady to be a member of a Canadian government.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): After that applause I should get a favourable reply. May I ask the Secretary of State whether the government has received representations from the typographical union concerning the failure of the late government to increase the rate for the printing of voters' lists, which resulted in it being impossible for many regularly equipped printing plants to take on this work? Is consideration being given to increasing that rate so that the next time voters' lists are printed—which might be soon, for all we know—they can be printed in plants that observe proper working conditions and trade union rates of pay?

Hon. Ellen L. Fairclough (Secretary of State): Mr. Speaker, in reply to the hon. member may I say that so far as I know no official representations have been made. It may be that the chief electoral officer has something in his office and I will be glad to inquire, but nothing has come to my desk.

MINES AND TECHNICAL SURVEYS

NORTHWEST TERRITORIES—STATEMENT ON GEOLOGICAL SURVEY POLICY

On the orders of the day:

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, yesterday the hon. member for Mackenzie River (Mr. Hardie) asked whether there has been any change in policy by the present government in regard to the carrying out of geological surveys in the Northwest Territories. The answer is no. He then asked a supplementary question as to why it was that this summer the work of the geological survey parties in the Mackenzie river district of the Northwest Territories was stopped when only 80 per cent of the work was completed. The answer is that our geological survey parties operating in the Mackenzie river district this year completed more work due to favourable weather conditions than was originally planned. Had it been possible to divert extra funds for this purpose, some additional work could have been completed while good weather conditions existed.

LABOUR CONDITIONS

NEW BRUNSWICK—STATEMENT ON UNEMPLOYMENT FIGURES FOR 1956-57

On the orders of the day:

Hon. Michael Starr (Minister of Labour): Mr. Speaker, yesterday the hon. member for Charlotte (Mr. Stuart) asked me a question relating to the number of persons registered

as unemployed in New Brunswick, and particularly in the Campbellton area, both at the present time and at this time last year.

I have obtained figures from the unemployment insurance commission relating to the number of persons who have registered in the offices of the commission as of October 10 this year. The comparable day for last year is October 11, one day later. The total figures for New Brunswick are as follows:

October 10, 1957	
Men registered	8,581
Women	2,620
Total	11,201
October 11, 1956	
Men registered	4,445
Women	2,126
Total	6,571

There is an increase of 4,630 in the total for the province this year. This is made up almost entirely of male workers. In the Campbellton area the local office reports the following registrations:

October 10, 1957	
Men	659
Women	111
Total	770
October 11, 1956	
Men	193
Women	68
Total	261

The difference, Mr. Speaker, is 509 persons. In order that my hon. friend may have complete information, I shall provide a break-down by categories of employment of the registrations in the Campbellton area. Miscellaneous categories, which embrace some 95 classes of occupations, account for 324 registrations this year compared with 175 last year. Other categories are as follows:

Logging, 114 registrations this year, 18 registrations last year; construction, 146 registrations this year, 45 last year; pulp and paper, 57 registrations this year, 9 last year; longshoremen, 81 registrations this year, none last year. I should add that in Campbellton longshoremen depend for a large part of their work on activity in logging and pulp and paper operations. Truck drivers and taxi drivers, 48 registrations this year, none last year.

CIVIL SERVICE ACT

INQUIRY AS TO AMENDMENTS THIS SESSION

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to direct a question to the Secretary of State. Can she inform the house whether any amendments to the Civil Service Act are under consideration for this session? If so, would she define them as major or minor changes?

Hon. Ellen L. Fairclough (Secretary of State): Mr. Speaker, I hardly think that is a question for an answer at this time. If and when changes are to be made in the act they will appear on the order paper.

COMBINES INVESTIGATION ACT

BRITISH COLUMBIA—INQUIRY AS TO FISHERMEN'S UNION

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Fisheries. I have not given him notice of this question, but I notice that he has not had one directed to him and I would not want him to feel neglected. My question is this. Has the minister taken any steps to terminate the investigation into the affairs of the united fishermen and allied workers' union of British Columbia by the combines investigation branch? That is a nice easy question.

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, I have not had notice of this question. As far as I know no action has been taken, but I will take the question as notice and give a fuller answer tomorrow.

PUBLIC BUILDINGS

QUEBEC CITY—STATEMENT ON PROGRESS OF NEW POSTAL TERMINAL

On the orders of the day:

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, yesterday the hon. member for Quebec-Montmorency (Mr. LaCroix) asked me the following question:

Does the government intend to proceed, as soon as possible of course, with the construction of the new postal terminal in Quebec city?

The following is the answer. The Department of Public Works acquired a site for the new postal terminal in the city of Quebec and preparation of plans and specifications commenced. This site had the approval of the mayor and city council. Subsequently the planning board of the city of Quebec took exception to the proposed site and refused to give approval. Further discussions ensued with the city, and it was finally arranged that the city of Quebec acquire the new site and that an interchange of properties would take place between the department and the city. The site which the city of Quebec desires us to use is occupied by the Canadian National Railways station and tracks.

The understanding of the department is that negotiations continue between the city of Quebec and the Canadian National Railways. However, no progress can be made in commencing the construction of the new postal terminal until the C.N.R. property can be made available to us by the city.

HOUSE OF COMMONS

STATEMENT BY MR. SPEAKER ON ASKING OF QUESTIONS ON ORDERS OF THE DAY

Mr. Speaker: If hon. members will permit me to say one word on the subject of oral questions before we proceed with orders of the day, I should like to give one or two references which, being put on the record, will make it more convenient for members to find authoritative statements of the practice on this rather difficult subject. At the beginning of each new parliament the Speaker has made a statement on the subject of the latitude allowed in asking oral questions of the ministers or of others.

There is no express provision for these questions but there is a practice which is more or less well defined by decisions of the past. I should like to refer to the *Journals* of the House of Commons, volume C of 1956 at page 299 and the following pages, where the Speaker of the last house made his own statement and collected the statements of previous Speakers for several parliaments. The principal citation or the important citation from Beauchesne's third edition is citation 297 which I will read inasmuch as it is quite short. I think it summarizes the situation:

> 297. A certain number of oral questions are permitted in practice by members, without notice, before the orders of the day are called; but these are merely allowed by courtesy in connection with the business of the house or with very urgent and important matters of public concern. They are always brief, no debate being permitted, and the replies are as concise as possible. The minister interrogated may reply at once or may direct that the usual notice be given. Such questions are governed by the same rules of order as questions of which notice has been given.

One further reference is to the *Votes and Proceedings* for Thursday, January 24, 1957, where a further statement on the subject is given. That may be useful, particularly to the new members of the house, in ascertaining just what is the scope of this practice, in order to save the Speaker the unpleasant necessity of endeavouring to apply these rules which I myself find are a little bit uncertain and a little bit difficult to understand.

SUPPLY

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

INTERIM SUPPLY

Mr. Fleming moved:

> Resolved, that a sum not exceeding $260,912,255.50, being one-twelfth of the amounts of the items set forth in the main estimates for the fiscal year ending March 31, 1958, except items 52, 57, 116, 117, 131, 132, 156, 248, 281, 322, 324, 328, 333, 334, 335, 336, 355, 399 and 460, laid before the House of Commons at the present session of parliament; and in addition thereto a sum not exceeding $165,433.34, being one-sixth of the total of the amounts of items 100, 307 and 365 of the said estimates; a sum not exceeding $2,576,712.09, being one-twelfth of the total of the amounts of items 69, 306, 313, 359, 373, 389, and 518 of the said estimates; in addition thereto a sum not exceeding $1,497,738.25, being one-twelfth of the total of the amounts of the items set forth in the supplementary estimates for the fiscal year ending March 31, 1958 laid before the House of Commons at the present session of parliament; in addition thereto a sum not exceeding $2,138,888.89, being one-ninth of the total of the amounts of items 669 and 670 set forth in the further supplementary estimates (1) for the fiscal year ending March 31, 1958, laid before the House of Commons at the present session of parliament; and a sum not exceeding $125,000, being one-twelfth of the total of the amount of item 668 of the said estimates; in addition thereto a sum not exceeding $27,108,666.34, being one-third of the total of the amounts of the items set forth in the further supplementary estimates (2) for the fiscal year ending March 31, 1958, laid before the House of Commons at the present session of parliament; a sum not exceeding $280,974.17, being seven-twelfths of the total of the amounts of items 754 and 759 of the said estimates; and a sum not exceeding $10,416,666.67, being one-third of the amount of item 692 of the said estimates, be granted to Her Majesty on account of the fiscal year ending March 31, 1958.

He said: Mr. Chairman, I think I speak for all members of this committee in extending to you in your first appearance in the chair our hearty congratulations and good wishes for a happy and successful discharge of the duties of your very important office. To those of us who knew you and were your associates in the twenty-second parliament it is a pleasure indeed to welcome you back to membership in this chamber. We know you will discharge the duties that have devolved upon you as chairman of the committees of the whole house with equity and good judgment.

Mr. Chairman, this is the first occasion on which this new House of Commons has been called upon to deal with the matter of supply, and as a vote of interim supply is not a matter which is always easily understood, I shall with the indulgence of the members of the committee who have been here in the past, say a brief word on the subject in the hope that it may clarify for

the newer members of the committee precisely what we are doing at this time. The situation with respect to the vote of interim supply at this new session of the new parliament is more complicated than usual and, if the hon. members will bear with me, I should like to explain it as best I can.

We are asking the committee today to approve a vote of a total sum of $305,222,335.25 as interim supply, and we wish to do that on the basis of retaining to the committee the fullest measure of control over the voting of supply. The estimates of expenditure are normally prepared in the fall of the year and are tabled in the house early in the normal session, let us say the month of January. Then as the session proceeds, because the estimates are already then three or four months past the date on which they were prepared in the departments and reviewed by treasury board, it becomes necessary for the Minister of Finance from time to time on behalf of the government to introduce supplementary estimates, then sometimes later in the year further supplementary estimates and, indeed, on some occasions a second group of further supplementary estimates. The main estimates are introduced normally prior to the commencement of the fiscal year to which they apply; in other words, let us say in a normal session in the month of January, for the fiscal year which will commence on the following April 1.

Before April 1 comes the estimates for the previous year and all its further supplementary estimates, of course, have had to be voted; then the government will begin a new fiscal year on April 1, without normally having made any provision for the supply for that ensuing year. Consequently as the voting of supply occupies a good deal of the time of the committee, it is necessary for the government to ask for votes of interim supply to meet the expenses of government until the time comes when the committee has completed its review and has voted all the items in the estimates. Often that is not done until the month of July or August, that is to say the completion of that voting. Consequently it is not unusual for the committee to be asked to vote interim supply in the spring of the year on several different occasions, usually one month at a time. The purpose of confining votes of interim supply to one month at a time is to ensure to the committee the preservation of control over public expenditure, control over the public purse being one of the principal functions of the House of Commons.

This year, as I have said, the situation is somewhat more complicated than usual. Prior to the dissolution of the twenty-second parliament the former government had, in the ordinary course, introduced the estimates for the year. Then at a later stage of the session it introduced supplementary estimates and later, prior to dissolution, it introduced further supplementary estimates. Two days ago I reintroduced those same estimates on the terms which I stated at that time, and with those introduced another group of estimates which are called further supplementary estimates No. 2. So now the committee has before it four groups of estimates, the main estimates, the supplementary estimates, further supplemenary estimates No. 1 and further supplementary estimates No. 2.

At the earlier session this year, that is to say the last session of the twenty-second parliament, some of those estimates had been passed, the estimates of the Post Office Department and several other items drawn from other places; but those were the only estimates in the main and supplementary estimates which had been approved in full. What the government has been functioning on—both the former government up to June 21 and the new government since that date —was a vote of interim supply which was granted by the twenty-second parliament prior to dissolution.

Actually at the earlier session this year five appropriation bills were passed. The first two related to estimates for the fiscal year which ended March 31 last, and three appropriation bills were passed with respect to the estimates for the current fiscal year 1957-1958. The first of those appropriation bills provided one month's interim supply, intended to be for the month of April. The second bill provided a vote of six months' interim supply, intending to carry the government through to October 31. There was a third appropriation bill passed which was designed to carry into legislative effect the approval given by the house to those estimates —all the items of the Post Office Department and some of several other departments— which had been finally passed.

It may seem an extraordinary situation that now, after nearly seven months of the fiscal year have passed, we should be asking for a further vote of interim supply before the main estimates have been adopted, but the situation was inevitable in view of the fact that the government, by reason of legislation passed at the spring session of parliament, has been carrying on merely on a vote of interim supply.

It is recognized by the government that control by the House of Commons over public

expenditure is difficult in this situation because of the fact that when this new house is dealing with the vote which it is now being asked to deal with, and when it comes to deal with the whole range of estimates in final form, those amounts provided for in the estimates have been substantially spent already. That is the situation which confronted the new government as well as the new parliament; the programs involved in these estimates are, naturally, substantially advanced already, and the new government, like the new parliament—I emphasize this—lacked a free hand with respect to the programs involved in many of the items.

I mentioned that the votes of the last session of the old parliament earlier this year were intended to provide the government with supply until October 31, the conclusion of the seventh month of the fiscal year, but as it turns out they will not be adequate for this purpose. Unless the house authorizes a further vote of interim supply now there will not be sufficient money available to meet the expenses of government which would normally be payable on October 31. The reason for that arises from the fact that increases in the salaries of the civil servants, the armed forces and the Royal Canadian Mounted Police were brought into effect by a decision of this government as from May 1, and because those increases have been paid in this intervening period there is now not sufficient money to meet the expenditures of government which will normally fall due on October 31.

May I say also—and this may sound very pedantic and didactic to hon. members who have sat in this house previously—that the government meets its bills twice a month, on the 15th and on the last day of each month. We had enough to meet the expenditures which fell due on the 15th, but we now do not have enough to meet the expenditures which will fall due on the 31st of this month.

It is not possible for this government to defer until the end of the month this request for interim supply because, as members of previous parliaments are so well aware, the cheques have to be made up somewhat in advance; they go to distant places and have to be sent out at least several days before the due date of the payment. In addition, the measure which the government is asking the house to approve today must then go to the Senate. It is hoped to have the measure before the Senate when it reconvenes on Tuesday, and that the measure may be quickly given royal assent so the cheques may be made up and sent out in time to reach the recipients by the end of the month.

I wish to say a word about the manner in which the bewildering series of figures and calculations that were read out by you, Mr. Chairman, in the resolution were arrived at. We are asking, broadly speaking, for a sufficient vote to meet the expenses of government until the end of November. Broadly speaking this is one month's vote, but there are some instances, for example in some of the items, which were introduced early in the fiscal year or prior to the commencement of the fiscal year, which relate to programs which have not simply proceeded on an even basis throughout the whole 12 months of the fiscal year. For instance, some items appertaining to construction, which proceeds more rapidly during the months when it is possible to carry on building under fair weather conditions, fall into this category. Then with regard to the third group of estimates, the so-called further supplementary estimates, some of those involve increases in social security payments which came into effect on July 1. Therefore they apply only to nine months of the fiscal year. One month's vote on account of these items would necessarily be one-ninth of the total of those items rather than one-twelfth, which would be the case with regard to those which were intended to have effect from April 1.

Then with regard to the fourth group of estimates which I tabled two days ago—the further supplementary estimates (2)—those were, broadly speaking, intended to have effect for approximately six months of the fiscal year running from October 1. Therefore to provide sums with respect to those items sufficient to meet the expenditures to November 30 it is necessary to ask for one-third of those items.

In general, however, the pattern is a request for one month's vote and one month's vote only. Those items that I have mentioned particularly are exceptional for the reasons I have indicated. In no case, even though a program is completed or virtually completed, is the government asking for a vote of the entire item. Some of the construction items, for instance, have been completed in full but in every case we are reserving at least one-twelfth of the total in order that the house may have full opportunity of debate, discussion and questioning of the government on such items before it is asked to give final approval to them.

We intend to be jealous to preserve the rights of the house with respect to the control of public expenditure. I assure the committee that it is not, by the measure to be introduced today, being asked to give final and complete approval to any item. In this respect I would remind the committee that there were a few items which were finally approved by the old parliament. Those, of

course, are law today and they will not be reopened. But with respect to all the other items the house is not being asked to give final approval to the total amount involved in any item; and in keeping with the time-honoured practice I assure the committee that the passing of this bill will not prejudice the rights and privileges of hon. members to criticize any item of the estimates when it comes up for consideration in committee of supply, and an undertaking is hereby given that such rights and privileges will be respected and not curtailed or restricted in any way as a result of the passing of this measure.

May I now, sir, again ask the indulgence of hon. members who have sat in previous parliaments. I think it is only fair to the newer members of the house to say a word about the somewhat complicated procedure involved today. Speaking from my personal experience of 12 years ago I can say that the procedure followed with regard to a vote of interim supply can be very bewildering to a new member. In saying a word about this, and in saying what I have said today, which I realize may sound very pedantic to hon. members who have sat here before, I am, I hope, fulfilling on this occasion the undertaking that was given in the speech read by Her Majesty three days ago, namely, that her ministers will take steps to make both houses of this parliament more effective in the discharge of their responsibilities to the people of Canada. It is for this reason that I have trespassed upon the patience of the committee today in the hope of assisting the new members to understand precisely what the house is being asked to do.

We are now in committee of supply, which is one of the three committees of the whole house; and if the committee approves the resolution which is now under discussion the committee of supply will report that resolution to the house, at which time the house will be asked to give it two readings and concur in it. Then I shall offer to the house a motion that the house resolve itself into committee of ways and means and then, if that motion is adopted, in the committee of ways and means I shall move the adoption of a shorter but somewhat similar resolution to grant to Her Majesty the sums set out in the interim supply bill.

If that resolution is reported back to the house by the committee of ways and means and read the second time and concurred in there, I shall then move for leave to introduce the bill, and if that motion is approved the bill will be read a first and second time and then we shall go into committee of the whole on the bill. If after having been reviewed by the committee of the whole the bill is then reported back to the house, the house will be asked to give me leave to move third reading of the bill in order that it may be passed today.

I emphasize all those stages in the procedure by way of stressing the importance attached to the voting of supply and the various safeguards that are provided by the rules of the house for assuring to the elected representatives of the people sitting here in the House of Commons the control over the voting of supply.

Mr. Sinclair: Mr. Chairman, my first words, too, sir, must be of congratulation to you in your occupancy of the high office of Deputy Speaker and chairman of committees in this House of Commons. I join with the Minister of Finance in felicitating you, and I am sure that because of your previous experience in this house you will fill your office with decorum and dignity.

I must start, too, by expressing my own personal pleasure at again taking part in financial debates in this house. During the last five years I have not spoken very often in this house and when I did speak it was on fisheries matters; but hon. members who were here in the twenty-first parliament will recall that at that time I had a junior post in the ministry as assistant to the minister of finance and took quite an active part in debates at that time. My hon. friend the new Minister of Finance, of course, also had a junior role at that time, since he was assistant to the chief financial critic, the hon. member for Greenwood.

Our roles are now reversed. We have both gained in seniority but now my friend the hon. member for Eglinton is Minister of Finance and my leader has honoured me by asking me to be the first financial critic of the official opposition. The minister, of course, now has the advantage of the very great resources of the Department of Finance behind him and an extremely capable and efficient staff, one which I think is the envy of the world in terms of financial matters; and I hope he makes good use of that staff, better use than he made of it at Mont Tremblant.

I have a very different advantage in my new role. Hon. members may recall the lamentation of the prophet Job, "Oh that mine adversary had written a book". Well, mine adversary has not written a book. After all, writing a book does imply some thought and consideration, forethought, afterthought and study. My adversary has done much more. He has filled many books, many volumes of *Hansard* with a torrent of words, speeches on

every conceivable subject as he hurled gratuitous advice to every corner of the house and there was no thought, or certainly little thought, and no revision of what he put in those books.

Since I have assumed the post of financial critic I have been studying these old speeches of the Minister of Finance. Hon. members who were here at the time he made them will recall how hard it was to sit and listen to his flood of words. I can assure you it is a much more appalling task to sit in the library and plunge through the jungle of his excess verbiage, his gross hyperbole, his endless repetition as he pontificated and cascaded advice on every subject to the members of this house. However, I am persevering in this task and summarizing these speeches so that as these financial debates unroll I can show the great difference between the policies preached by the hon. member for Eglinton in his role of opposition critic and the policies practised by the hon. member for Eglinton in his new role as Minister of Finance, and I intend to give some examples in this first financial debate, the granting of interim supply.

The minister has made a clear explanation to the house of the purpose of voting interim supply. It is normally just a routine matter and the necessity arises when parliament has not approved the estimates at the beginning of the new fiscal year and current expenditures have to be met. He has pointed out that because of the election we have already voted seven-twelfths of most of the estimates and even more of some items, without prejudice to our right of detailed examination, to cover the period between April 1, 1957 and October 31, 1957. However, let me tell this committee that the present motion for interim supply is certainly not a routine matter. It is without question the most extraordinary motion in this field ever presented to a parliament of Canada.

In the brief time at my disposal since the minister made his announcement yesterday I have been in the library trying to see if there is a precedent for this course, and I could find none back to 1867. The motion was presented in such a fashion that I was unable to find any precedent since confederation. I did, however, find an earlier precedent by another Tory government of 125 years ago, the family compact. Hon. members will recall the committee of grievance led by William Lyon MacKenzie which presented a petition to Queen Victoria protesting that that government did not inform members of the assembly of the purposes for which the money was requested, nor did they give an accurate account of how these moneys were spent after appropriation by the assembly. It was these grievances in part which led to the uprising of 1837 and then to subsequent parliamentary reforms.

It is because of this action that since 1867 we in this parliament of Canada have followed the practice that only the government can initiate the expenditure of public funds, that a detailed account of the purpose for which the money is requested must be submitted to parliament well in advance of the money being voted, and that an independent audit of the expenditure of these funds after appropriation be made by the servant of parliament, the Auditor General of Canada.

In following this accepted constitutional practice of responsible government the Governor General last Tuesday sent us a message signed by his own hand in which he recommended certain estimates for the consideration of this house. Perhaps I should remind hon. members of exactly what was said. The Governor General's message can be found in volume II of *Votes and Proceedings* in these words:

> The Governor General transmits to the House of Commons, estimates of sums required for the service of Canada for the year ending on 31st March, 1958, and, in accordance with the provisions of The British North America Act, 1867, the Governor General recommends these estimates to the House of Commons.

However, when the Minister of Finance tabled the estimates in the house he did not stand behind them in the constitutional practice of responsible government. He differed from the message of the Governor General and said the government did not intend to support all the estimates he was then submitting. He did not tell us what items in the books the government was not supporting, despite the Governor General's recommendation to this house, leaving the members of this chamber in the dark as to what items have or have not received the present government's support. In other words we are asked to vote public money blindly just as in the days of the family compact. His justification for this most unusual course is that it would save work and money to table the estimates of the previous government, and he mentioned $20,000 as the cost of printing new estimates.

Apparently parliamentary rights now have a price tag, and $20,000 is too high a price to permit the members of this free parliament to have accurate information before they are asked to vote over $300 million of the taxpayers' money in a single day.

I can assure hon. members, though, that even this figure of $20,000 is sheer poppycock. Everyone in this house will grant that the new government is under absolutely no

obligation to support any or all of the proposals in the estimates tabled by the previous government. All that is needed is for the minister to submit the old book of estimates with a printed or mimeographed supplement listing by numbers the items he does not propose to put forward or the items he proposes to reduce. He surely must have such a list, and parliament is certainly entitled to this information. The cost of preparing such a mimeographed supplement would not be $20,000 but only a few dollars.

Yesterday, you know, we received our customary lecture or sermon from the Prime Minister on the rights of parliament, and today we find the Minister of Finance brazenly ignoring those rights. He violates the constitutional position of responsible government that the government stands behind all the printed estimates recommended by the Governor General for the consideration of parliament. He affronts the rights of members by blandly telling us that there are unknown items he is not supporting but about which we have no information. What a contrast here between his preaching and his practice.

There is a second criticism I have of the form of these estimates. We who were in earlier parliaments can remember the financial critic of the official opposition of that day, the hon. member for Greenwood, who is now a minister without portfolio, quoting with great support a British chancellor, I think Philip Snowden, to the effect that a chancellor who took one penny more in appropriations than he really needed—

Mr. Macdonnell: Half a crown.

Mr. Sinclair: I am talking about millions of dollars here. One penny or half a crown; I am glad to find the quotation is approximately right, that a chancellor who took one-half crown more in appropriations than he really needed was guilty of barefaced robbery of the taxpayers. Well, that is in effect what we have been asked to do today. The Minister of Finance is asking us to vote one-twelfth of the general estimates which were submitted by the last government, but he admits that there are amounts in these estimates he will not use; so in effect he is mulcting the taxpayers of unnecessary funds, the type of robbery that the hon. member for Greenwood used to deplore.

There is another aspect to this. The Financial Administration Act, which is the key act governing the finances of this parliament, an act which I piloted through this house when I was parliamentary assistant, does provide that within a department money can be transferred from one item, if it is not used, to another item subject, of course, to the approval of the treasury board. In effect the minister can now, since we are giving blanket approval to these estimates which are not to be used, later transfer these moneys and add them to the amount of the estimates which he is going ahead with, thus inflating the estimates that we are actually assenting to at this time.

I have a third criticism of a different nature. Hon. members will also recall a speech made by the then leader of the Conservative party, Hon. George Drew, in Saskatoon in 1952, when he told his audience that he and his party knew that at least $500 million could be stripped out of the estimates of the then government without affecting in any way the essential services of government. Hon. members will recall that when Mr. Drew returned to this house the minister of finance first and myself secondly implored him to give parliament the details of those $500 million savings he could so readily effect so that we could strip them off the estimates and thus save the taxpayers that money, but he resolutely refused to give any detail. Nevertheless, Tory speakers on every husting in the country thundered away at the fact that they could strip $500 million off these estimates without affecting essential public services.

Well, today is the first opportunity for the new Minister of Finance to convert his preaching into practice. If he was sincere in his claim that $500 million could be stripped out of these estimates—that, is 9 per cent of the gross estimates—then this is the time for him to show it. Instead of asking for one-twelfth of these estimates to cover one whole month, he should be asking for one-twelfth less 9 per cent, one-twelfth less $27 million, and show that he is practising what he was so loudly preaching just some few months ago. Does he do that? Oh, no; he does quite the contrary. Instead of stripping 9 per cent off these estimates we find ourselves confronted with additional estimates, with his entire blessing, totalling an extra $80 million of the taxpayers' money. What a contrast again between his preaching and his practising.

What position does the official opposition take to this most unusual request for interim supply, a request which clearly violates every constitutional principle of this parliament in the voting of money? If we in the official opposition thought this affront to the parliamentary rights by the Minister of Finance was wilfully done, then we would hold up the supply until he had properly supplied this committee with a detailed list of the items which he and his

colleagues were supporting in responsible fashion, as was indicated by the message from the Governor General. However, since he is just a beginner at his new job, we want to be charitable, and so we believe that he did not do it wilfully but did it through sheer ignorance, through failing to do his homework, through failing to take advice from the very competent and capable advisers in his own department. In these circumstances we merely ask that some time during the course of the day he stand up and read to the House of Commons the list of items in this blue book that he does not intend to support, that he is either going to delete or reduce. In that way we members can properly discharge our responsibilities in voting the taxpayers' money for supply.

In addition, I would request him to ask his colleagues in the government to stay in the house today so our members can secure information from them on the various items they are now going to bring forward in this committee.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I should like at the outset to join with the Minister of Finance and the hon. member for Coast-Capilano in extending to you on behalf of this group our sincere congratulations on your appointment as chairman of committees of the whole house and as Deputy Speaker of the House of Commons.

I should like also, in my opening remarks, to say that in our view the comments just made by the hon. member for Coast-Capilano cannot be regarded as captious criticism but rather that his points are well taken. The only thing that amazes me about the position of the Liberal party is that their members knew on Tuesday of this week that the Minister of Finance was overlooking the constitutional provision regarding the voting of money, yet yesterday the leader of the Liberal party stood in his place in this house and said that no matter what happened they would not at this time vote non-confidence in the government across the way. We have listened to a speech this morning with every word of which I agree, but I suggest it is a speech that raises a serious question with respect to whether the house should repose confidence in the government sitting on the other side of the house.

While the hon. member for Coast-Capilano was speaking I was reminded of the last time we had a Conservative government in Canada. One of the various phrases that will be remembered in relation to that last government are the words "blank cheque". We all recall how Mr. Bennett sought from the House of Commons in the early thirties what was known as blank cheque legislation. Well, the Minister of Finance is not asking today for a blank cheque, but he certainly is asking for an inflated cheque. He certainly is asking us to vote today a sum of money which according to his own words of Tuesday, if we are to take them at their face value, is greater than the government intends to spend.

I share to the full the sense of amazement expressed by the hon. member for Coast-Capilano at the action of the government in having the Minister of Finance present a message from His Excellency the Governor General and then say that the government does not necessarily stand by the estimates which have been tabled in the house. I hope that serious consideration will be given by the Minister of Finance to the criticisms he is now receiving from this side of the house. I think the point made by the last speaker toward the conclusion of his remarks is well taken, namely that the Minister of Finance should tell us today, before he asks us to pass this legislation, what are the items in the main, supplementary and other estimates which the government does not intend to support or which it intends to ask the house to reduce. I certainly will not be satisfied with just a general statement which seems to give the impression that the government is out for economy unless the minister backs up that statement with chapter and verse.

I want to support as well the suggestion made by the hon. member for Coast-Capilano that the Minister of Finance ask his colleagues in the cabinet to remain in the house so they can answer questions that may be put to them on the various departments. That, I may say to the hon. member for Coast-Capilano, will be a refreshing change. We had considerable difficulty in the last parliament in getting the then minister of finance, whose presence we miss in the house, to get his colleagues to remain in the house. He chose rather to pilot through all interim supply and sometimes supplementary estimates as well. The slogan just prior to the 10th of June was that it was time for a change. I hope that we will at least have a change in that practice and that we can get our questions answered not just by a know it all minister of finance but by the ministers in charge of the various departments. If what I have said sounds like "a plague on both your houses", that is what it is intended to be.

There are certain aspects of the resolution, Mr. Chairman, which interest us particularly. I think it is unfortunate that a lengthy resolution of this kind is presented to the committee of supply and read by the chairman with

most members not having it before them or knowing what it is all about. I suppose there are half a dozen typewritten copies of the resolution which were placed on the desks of certain members and I am one of the fortunate few to have received one, but there is no reason why I should have it and not those in the back rows. I feel that a way should be found for this resolution to be printed in advance so that all members can have it and see what it is on which we are voting.

As I look over this complicated resolution, which in typescript takes a full, legal size sheet of paper, with seven or eight paragraphs and figures galore, I find certain items omitted. First may I point out that so far as the main estimates are concerned we are being asked to vote one-twelfth of all of them except those, and they are numbered, concerning which previous votes have brought the total amount released to eleven-twelfths or more. I interpose that there is no suggestion that any items are being excepted from the main estimates today because they are the ones the government does not intend to support.

When we get to the supplementary estimates, and particularly to the document entitled "Further Supplementary Estimates (1)", I note that the Minister of Finance is seeking further votes of those estimates only with respect to items 668, 669 and 670. By this motion today he is not seeking any further vote with respect to items 663 to 667 inclusive. I hope he will make an explanation to us today as to why no further vote is being sought with respect to those items.

Mr. Fleming: I would be glad to do that at this very minute if my friend will permit. The reason is very simple. Those items to which my friend makes reference in the further supplementary estimates, No. 1, require no further vote. They are in effect because the item in the appropriation bill actually effected an amendment of the statutes in question. That applies to statutes like the Old Age Pensions Act, the Old Age Security Act, the Blind Persons Act, the Disabled Persons Act and so on.

Mr. Martin (Essex East): Sections 10 and 11 of Bill 418.

Mr. Fleming: The appropriation bill has actually effected the amendment of those statutes. Therefore nothing further is required with respect to those items in the further supplementary estimates No. 1. But with regard to the other three my hon. friend has just mentioned and which are included within the scope of the resolution now under discussion, those are not statutory items. I looked into this matter. I asked the same question as the hon. member has asked: Why was there a difference with respect to those items affecting veterans allowances? The answer I was given was that those are not statutory items, and therefore require this vote today.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I appreciate the answer the minister has given. Perhaps before I reply to it I might put on the record just what it is we are talking about. Items 663 to 667, to which I referred a moment ago, provided for increases in family allowances, old age security, old age assistance, blind persons and disabled persons allowances. But when these items were put through at the session in April they were put through by the supplementary estimates to the extent of two-sevenths in the case of the family allowance dollar increase and by four-ninths in the case of the other increases. The family allowance increase was to take place on September 1. That meant there were seven months left in the fiscal year, so two-sevenths was the provision for it to be continued for two months, September and October.

In the case of old age pension and other increases they were to be effective on July 1, which meant there were nine months left in the fiscal year so that four-ninths made provision for July, August, September and October. In the case of the War Veterans Allowance Act and the Pension Act the provision was from July 1, and again four-ninths was provided, and I would point out that the wording of item 664, for example, is exactly the same as the wording of item 669, to provide, effective on a certain date, that a certain act is amended.

I bow to the wisdom of the officials who have advised the minister but I find it difficult to do so. It looks to me as though if in one case the act was actually amended by what was done with respect to the supplementary estimate, it should have been so in the other case. On the other hand, I put it this way. If it is necessary by a further vote to continue the increase in the case of the war veterans allowance, it would seem to me that it would be necessary to continue the increase in the case of old age pensions, family allowances and so on. But if the minister can assure us that the law officers of the crown are clear on this point that there is no question as to any lapse in the increase, that is fine; but it is fine only as far as it goes. It seems to me that now is the time for the Minister of Finance to tell us what are the government's intentions with respect to these increases in the old age pension and other benefits.

Today we are being asked to approve the general financial program of the previous

government. We are being asked to approve it with secret modifications that we have not yet been told about, but in general we are being asked to approve what the previous government proposed, which included old age pensions of $46 a month, that miserable sum which the Liberals will now admit was part of the reason for their downfall. But during the election campaign the present Prime Minister promised that if he and his party were elected they would call parliament in September, and would deal immediately with the question of the plight of the old age pensioners and see that the amount of the pension was raised in keeping with today's cost of living. The country had considerable difficulty in getting out of the Prime Minister a precise figure as to what the Conservatives would do with regard to old age pensions, but in this house and in other places he used the figure of $60 favourably. In any case, whatever the amount was to be, we were promised a session in September and immediate attention to the plight of our old age pensioners.

Here we are in October, not September. We have the promise in the speech from the throne, and we in this party welcome it wholeheartedly. But despite that fact I was unable to get from the Minister of National Health and Welfare the other day any indication as to when whatever increases are in store would be effective. Now today we are dealing with these estimates, on the basis of which we are determining the moneys that are going to be paid out by this new government in the month of November, and we are still not being told what the old age pensioners are going to get. Is the pension going to be back at $40 by virtue of our not voting on the supplementary estimate, or is it going to be continued at the level of $46, or is it going to be raised to a new figure?

When he spoke yesterday the Prime Minister more or less dared anyone in this house to suggest that parliament should have been called earlier in view of the fact that arrangements had been made for Her Majesty to be here on October 14. Important and historic as was the occasion in the Senate chamber on October 14, I suggest that it would have been even more historic and even more memorable if Her Majesty had been given an opportunity on that occasion to give royal assent in person to a bill increasing old age pensions and other benefits. That is a bill which would have been passed readily by this House of Commons, if this Prime Minister, who said over and over again that he would keep faith with the people of Canada, had kept his promise and called us here in September to deal with this important issue.

I call on the Minister of Finance, in the course of this discussion today, to do what he and his colleagues told the previous government to do time and time again, namely—take the house into his confidence, tell us what his plans are and what they mean by keeping faith. I call on him to tell us what he himself meant when, shortly after he became Minister of Finance, he announced that there would be a budget this fall and that there would be an increase in the old age pension. In fact I hope he will now answer the telegram which I sent to him at that time congratulating him on his announcement and expressing the hope that he would spell out what he meant by an increase in the old age pension. I have before me a copy of the telegram. It was taken note of by certain newspapers but as yet I have not had a reply from the Minister of Finance.

Mr. Fleming: You will get your reply in the constitutional manner.

Mr. Pickersgill: The usual courtesy.

Mr. Knowles (Winnipeg North Centre): The constitutional manner—those words perhaps should be put in quotation marks—of the Minister of Finance is somewhat open to question in view of his action this week in presenting the estimates and telling us that he does not necessarily stand behind the recommendation of the Governor General.

I think we should also have a clear-cut statement on the family allowance question, as to whether any changes are planned there. As a matter of fact, if the minister has any memorandum from the law officers or officials with regard to this difference between old age security and family allowances on the one hand and war veterans allowances on the other, I think he should give it to us. Assuming that nothing has to be done with regard to old age security and so on, I point out that the fact that we have before us a proposal to continue war veterans allowances at the rate now in effect for another month means that the fulfillment of the promise to increase the rate to war veterans who are burnt-out pensioners is now being postponed.

One of the bitterest criticisms made by the Tories in the last parliament was that the government of that day had not increased the allowance to single veterans under the War Veterans Allowance Act. Yet we are now being asked to support a motion one section of which continues for another month the rates as put into effect by the late government, which included no increase in the amounts to single veterans.

In my view that is not keeping faith. It may be fine that these things will be done eventually, but in the meantime the senior citizens of this country die at the rate of 5,000 a month and our war veterans pass on steadily. These people who hoped that as a result of the change in government on June 10

we would have a government that would keep faith, are wondering when these things are going to happen.

Mr. Chairman, I make it crystal clear that we welcome everything of a legislative character that the government has proposed. We want to see these things put into effect. I was glad that yesterday the Prime Minister suggested that there could be an interruption in the debate on the address—and we will agree to it—in order to put through some of this legislation. But this practice should apply not only to cash advances on farm-stored grain; it should apply particularly to these social security measures and to improvements for the war veterans of this country.

I may have something more to say later on this question of superannuated civil servants. Perhaps I might as well do it right now if I still have left any of my 30 minutes. I suggest to the Minister of Finance that, with the Prime Minister absent today, the person immediately to his left is the Minister of Public Works whom we have known so long as the active and aggressive member for Vancouver-Quadra; and I pay my respects to the hon. member for Vancouver-Quadra, now Minister of Public Works, for the support he has given across the years to the demand for an increase in the pensions of retired civil servants, particularly those in the lower and middle brackets. Yet, Mr. Chairman, despite the hope we had that these people who took that position when in opposition would do something about it when in office, the answer that my friend the hon. member for Fort William received from the Minister of Finance the other day was such that I do not know why the hon. member said "thank you".

Mr. Fleming: Because he is a gentleman.

Mr. Knowles (Winnipeg North Centre): The answer was as inconclusive and as unhelpful as answers given in the past by Mr. Harris, Mr. Abbott and Mr. Ilsley. If the people of Canada voted for a change, let us have more of a change than we have had indicated in the house this week, and particularly let us have it in the field of these social benefits.

I call upon the Minister of Finance to answer the criticisms that have been made today by the hon. member for Coast-Capilano, in which I join, concerning the constitutional provisions about government support of estimates placed before the house. I also call upon him, before he expects us to approve of continuing all the former government's fiscal and expenditure policies for one more month, to tell us precisely what are the government's plans with respect to old age pensions, war veterans allowances and these other social security measures. What are the changes the government proposes; when are they coming into effect; and if they are not coming into effect soon, let him tell us why. The Prime Minister promised to call a session in September to do these things but, to the extent that he failed to do so, he has already broken faith with the people of Canada.

Mr. Macdonald (Vancouver-Kingsway): Mr. Chairman, rising for the first time in this chamber I should like to pay a brief but deeply felt tribute. I must confess that whenever I hear a reference to the member for Vancouver-Kingsway, I instinctively still think of Angus MacInnis, who from 1930 to 1957 I am sure earned respect and affection in all quarters of the house. I think all hon. members will be glad to know that Mr. MacInnis is enjoying a well-earned retirement in Vancouver, which is that part of the country most richly endowed by nature and climate for good and healthy living.

Mr. Chairman, before the committee grants the interim supply requested by the minister I think we should be satisfied that something is being done about the unemployment situation on the west coast, particularly in the lumber industry. These things in my opinion should be dealt with before they reach crisis proportions. In the lumber industry, upon which British Columbia depends for perhaps 40 per cent of its payrolls, we do have an unemployment crisis developing. The production of logs from the forests of British Columbia is down about 50 per cent from what it was in October of last year. Sawmills are cutting lumber at about 25 per cent below capacity. The same is true in plywood, with layoffs for some mill workers and short time for others. These are people with families to look after. Even in the case of pulp and newsprint there is oversupply, something we have not seen in British Columbia since the end of the war.

Who knows but that this situation may not very well worsen in the winter months ahead unless something effective is done. Now, I appreciate that the government may not accept the necessity of economic planning for full employment, as advocated in this quarter of the committee. However, I think there is one thing they can and should do, and not delay it any further. I refer to the establishment of an embassy and a trade commission in communist China, with the necessary diplomatic recognition. I heard, as we all did, Conservative speakers in the last election campaign say how much this new government would do to expand trade with China. But how can you expand trade if

you are not even willing to go as far as extending diplomatic recognition? I say it cannot be done.

I do not need to say to this committee that recognition does not imply approval. Of course it does not. No one could approve of the violence and dictatorial methods which have been part of the Chinese revolution, but at the same time I think no one should be surprised that violence and brutality have followed in the wake of such a shattering social upheaval. The fact is, however, that a new China does exist and we have to live with it. One cannot escape the facts of life and, in the atomic age, it would be very dangerous indeed to try to escape the facts of history. The old order in China will certainly never return, whatever new ideas or institutions may be thrown up before the Chinese revolution runs its full course. The moving hand of history writes and, always, moves on, never backwards.

My recollection, Mr. Chairman, is that in the last year, 1956, communist China sold to us about $5 million worth of goods. Canada, on the other hand, sold only $1 million worth to China. So they had a favourable trade credit in Canadian dollars in that year of about $4 million. I think in 1955 the Chinese credit vis-a-vis Canada was $3 million. That is not much in the total trade picture, but I do suggest that a beginning has to be made, particularly having regard to the need for a share in the market of 600 million people for Canadian wheat as well as Canadian lumber.

A beginning has to be made and the question of diplomatic recognition must be faced. My recollection is that Hon. Sidney Smith, when asked about this question by the press, replied that the matter was under study. Well, there are some times when study is a very poor substitute for decision, and this is one of them. The facts are in, and have been in for a long time. This is a time when the necessary first step—the inescapable first step—of recognition should be taken.

I hope this government will not tamely follow the policy of long delays in acting on this question which was adopted by the last government. If they do that, if they tamely follow that policy, the people of Canada will find that they have had a change without a difference. I would ask the new government whether it is not avoidable that Canada should always be bound to the chariot wheels of United States foreign policy. I would remind them that Britain took the lead in this matter some years ago, and that surely there are times when Canada can give a lead which is as much in the interests of our American friends as it is in our own interests. I do not see the Minister of Trade and Commerce in the committee—

Mr. Churchill: I am here; go ahead.

Mr. Macdonald (Vancouver-Kingsway): Before the supply is voted I would like either the Minister of Trade and Commerce or the Acting Prime Minister to indicate clearly to this committee whether they will not, in view of the trade and peace considerations, take the necessary first step in extending diplomatic recognition to communist China. It should not be said that we are leaving the 600 million people of China without any voice or influence from Canada. It should not be said that China has no place to turn in the western world but that its only place to turn is to Soviet Russia. I therefore hope the government, through its appropriate spokemen, will satisfy the committee as to this question and the trade question, which matters of course are closely related.

Mr. Low: Mr. Chairman, I would like first to congratulate you, sir, upon your election to the office of chairman of committees and Deputy Speaker and to express, with others, the confidence we have in you and your ability to handle these very important duties fairly and justly.

I listened very carefully to the statement that was made by the Minister of Finance. I thought he made a very lucid explanation of the reason for the interim supply, perhaps the best I have heard at any time since I have been a member of the house. It certainly did provide for the new members, and perhaps a good many of the older ones who have not yet been fully immersed in financial affairs, the kind of explanation they require to be able to understand the complicated system that is used.

I could not help feeling as the Minister of Finance spoke and gave us his explanation that part of the complication which he had to face when he took over his new office was inherited from the old government. They certainly left things in a mell of a hess, if I can say that, in so far as the estimates were concerned with which we were struggling last spring.

That may perhaps offer some explanation for the items which have been criticized.

I cannot go along with the hon. member for Winnipeg North Centre at all in demanding that at this time the specific details of the government's legislative program be revealed. It is not customary for any government to do that before the bills are brought down. We all wish to know as early as possible how

much the old age pensioners are going to get. I would like to know that right now, and so would the old age pensioners, but it seems to me the thing to do would be to grant this interim supply measure as quickly as possible so we can have the bills brought here, and then give the government whatever advice and counsel we are capable of giving with regard to those bills. We want to get those bills here quickly, and while many of us would like very much to be the first to draw from the government the details regarding the amounts to be paid and the times when such amounts are to be paid, we quite realize that that is not customary, and we are prepared to do everything we can to facilitate the passing of other business in order to get the bills here as quickly as possible. We are as interested in war veterans and others as are members of the C.C.F. party, and I daresay the government can say the same thing.

There is one criticism that was made by the hon. member for Coast-Capilano with which I think we must all agree, and that concerns the unusual nature of the request made to us today regarding interim supply, in the light of the statement made on Tuesday by the Minister of Finance. I cannot help but agree that in my judgment the house would be in a far better position to deal with interim supply if we had in our hands today a list of those items of the old estimates with which the government does not intend to proceed. At the same time it would have been much better for all concerned if copies of this mimeographed statement had been distributed to all hon. members, and I would certainly suggest to the Minister of Finance that if it is possible for him to do so he should hold over this request for interim supply, possibly for one day or even for two or three days, and give us in the meantime a list of those items in the old estimates which are not to be proceeded with.

It is quite true that if one wishes to make exceedingly fine distinctions and criticisms, the present request for one-twelfth of many of the items, one-ninth in certain other cases, and one-third in one or two remaining cases, if we were to take the minister's words spoken on Tuesday as authentic—and I am certainly prepared tc do that—means that today we are actually being asked to vote more than the government intends to spend, and that has been the object of very serious criticism in the past. I believe that in a situation of this kind there is yet time for the government to rectify its possible mistake and bring before us a list of those items with which it does not intend to proceed, and then we should be in a far better position to hurry estimates through.

[Mr. Low.]

Mr. Marler: Mr. Chairman, I would like to join with others who have spoken in expressing good wishes to you for the successful carrying out of your duties as Deputy Speaker of the house, and I have no doubt you will bring your well-known talents in both languages to the execution of your task.

I would like to speak on much the same questions as were touched on by the hon. member for Coast-Capilano. I think it will be interesting for the committee to consider this matter a little more fully than we have done up to the present time. I would like to emphasize that we are dealing here, as the Minister of Finance has said in what I might describe as his professorial remarks, with the main estimates, the supplementary estimates and the further supplementary estimates (1) and (2), and if one looks at the *Journals* for Tuesday one finds, with respect to each of these estimates, the traditional message from the Governor General concluding in each case with the formal statement, "The Governor General recommends these estimates to the House of Commons."

Now, we all know that these recommendations are not made spontaneously by His Excellency; they are made, of course, on the advice of his ministers, and it is perfectly obvious that in the recommendations made to the house in these four messages we are being told that the government recommends the estimates to which they refer to the consideration of the house. And we know, Mr. Chairman, that this is the traditional way in which legislation to authorize expenditure is introduced. The reading of these messages was followed by a statement by the Minister of Finance. I will not read the whole of it, but I would like to read the qualifying phrase, which will be found on page 11 of *Hansard*:

> However, this is not to say that the present government will support all of the detailed programs contemplated when those estimates were originally prepared. Rather, such changes as this government proposes to make in the current year programs will be brought to parliament's attention when the individual items affected are being considered by the committee of supply.

It seems perfectly manifest to me, and I am sure to other hon. members of the house, that the government has had several months, in fact, in which to go through these estimates and decide which of them it proposes to support, and I think this committee is entitled to know formally from the Minister of Finance which are the estimates we are being called upon to deal with, and which ones we shall be asked to consider in some modified form.

Mr. Chairman, I notice it is one o'clock.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Marler: Mr. Chairman, when the committee rose at one o'clock I had just reminded hon. members of the statement the Minister of Finance made after he had tabled the estimates the other day. I drew attention, by reading a brief extract from his remarks, to the fact that he had in effect said that in tabling the estimates he was not proposing that the government would support all of them when the discussion on the estimates took place, and that at that time changes in those estimates would be brought to the attention of the committee.

I think this is indeed an anomalous situation. In one breath the government formally recommends all these estimates to the consideration of the house, and in the next breath the Minister of Finance, one of those responsible for the recommendation, announces that the government does not intend to support its recommendation for which it and it alone is responsible. Coming from someone who has spoken so frequently about the rights and prerogatives of parliament, this statement by the Minister of Finance repudiating responsibility for an action taken by his own government is strange and makes me wonder whether the government's respect for the rights and privileges of parliament has not somewhat diminished since it moved from the opposition benches to those it now occupies. In fact one might be permitted to say, judging from the answers which have been given during the question period since the house opened, that the degree of transformation that has taken place is already manifest, and we find the same sort of answer coming from the ministers today as those which—

Mr. Fleming: The former government gave.

Mr. Marler:—the government members found so objectionable when they were in opposition.

Mr. Green: You are a bit transformed yourself.

Mr. Marler: Well, Mr. Chairman, I have lived more of my life in opposition than I have in government, and I am coming back to the point in the circle from which I started.

According to the statement made by the Minister of Finance the other day the changes which the government proposes to make in the estimates are to be revealed to us only when the individual items are being considered by this committee. I would like hon. members just to consider for a moment the situation which the government is thus creating.

In the past the government presented the estimates. The minister gave the facts to the committee, questions were asked, the advisability of the expenditure in question was weighed, scrutinized and examined by the committee, and there was available to the minister who was presenting the estimates the permanent staff of his department which provided all the explanations which the minister himself was not able to present unaided. In other words, Mr. Chairman, the minister responsible for the estimate justified it to the satisfaction of at least a majority of the committee.

What is the new technique going to be? An item will be called. The minister, I suppose, is going to tell us that he does not support it or does not support it to its full amount. Whose function is it then going to be to support the recommendation which the government has made?

I would like to draw upon my own experience as an example. I was very much interested in the activities of the Department of Transport, and as hon. members of the committee know transport is a field of government activity in which substantial expenditures have to be made in order to keep abreast of progress in a field in which developments are continually taking place. My own experience while I was minister of the department was the difficulty of finding sufficient funds to provide for the activities which the department wished to undertake. In the experience I had during the making up of two budgets I found the estimates which I submitted to the treasury board always suffered a reduction because it was not possible to satisfy all the needs and, as there were limits on spending, it was necessary that my estimates should be cut down.

The process was a long and complicated one. The estimates, as certainly the older members of this house know, are prepared initially by the officials of each department. They are reviewed by the deputy minister with the minister and his officials, and then they are submitted to the treasury board. The officials of the treasury board go through the estimates with a fine tooth comb and weed out any expenditures that cannot be fully justified or which can be properly or usefully deferred. And then, as the Minister of Finance knows, these estimates which have been gone over at the official level are considered by the treasury board itself. When they have been finally adopted by the treasury board they are embodied in the estimates which are presented to this house.

Under this practice, Mr. Chairman, so far as the main estimates, the supplementary

estimates and the further supplementary estimates No. 1 are concerned, these went through the process I have just described, and I assume the further supplementary estimates No. 2 have undergone the same rigorous examination. I ask myself what is going to happen when these estimates come before this committee. How is this committee going to know what action the government is going to take? Ordinarily we know when an estimate is submitted that the government stands behind it and is prepared to justify and defend it. It seems to me, Mr. Chairman, that the Minister of Finance should take us into his confidence. He should tell us what changes are to be made in the estimates. He should tell us, for example, whether the rumour which has received some circulation in the press to the effect that the estimates of the Department of National Defence are to be reduced by $200 million is a fact or whether it is mere rumour and nothing more than fiction. The Minister of Finance should lose no time in telling us exactly what estimates we are going to have to deal with.

I fully understand and appreciate the technical difficulties facing the Minister of Finance in the present circumstances, the main estimates, supplementary estimates and further supplementary estimates not having been voted. Nevertheless I believe the hon. member for Coast-Capilano this morning indicated a method which could very easily have been followed which would not have cost the sum of $20,000, the figure mentioned by the Minister of Finance the other day, but which would have given the members of this committee a complete understanding of what estimates we are being called upon to deal with and the amount of each of them.

Mr. Fisher: Mr. Chairman, after the great constitutional issues that have been raised here the subject I am going to bring up will no doubt appear to some to be very trivial and insignificant, but there are several minor points in connection with the estimates as they affect the constituency of Port Arthur which I would like to refer to the ministers who answer for these departments.

Before I begin discussing that subject in specific terms I would like to mention that Port Arthur and Fort William form an economic and social unit. For the last 22 years they have been represented by a pair of gentlemen from the same political party and now that twain has been sundered. I might mention that colloquially around the lakehead the gentlemen who formed this twain were known as the gold dust twins. Now the one who has gone, of course, like the ship named after him is in very icy, far-off waters.

[Mr. Marler.]

I would like to assure the hon. member for Fort William that when I ask questions that may affect the constituency of Fort William I am not doing so in an attempt to engage in controversial strife. Rather it is simply because our two constituencies are an economic unit.

In connection with the sum of $250,000 for the Fort William harbour works in the original estimates and a further $300,000 in supplementary estimates No. 2 for harbour improvements in Fort William, the Minister of Public Works has informed me that there has been an extension of the contract for the dredging in the west port turning base. I would like to know how much of the estimate has now been spent for this particular project in the Fort William harbour. I would like him to go further and tell me how much of the estimate of $500,000 for improvements at the Port Arthur harbour has been spent, and whether there is any money left for work to be carried on this winter.

Several years ago I believe an experiment was tried at the lakehead by a contractor by the name of Hacquoil, doing winter work over the ice in developing breakwaters and groynes. Because of the developing unemployment situation at the lakehead, an emergency program could be carried on in either or both harbours which would employ quite a number of men. If any funds are left it would be a wonderful boon to our particular community this winter.

I should like to ask the minister who answers for the Canadian Broadcasting Corporation what research has been done in connection with the television satellite program. The Fowler commission recommends that areas with a population of 5,000 or more should be serviced by the Canadian Broadcasting Corporation with some type of television satellite station. In both spoken and written answers from the Canadian Broadcasting Corporation they advise me that they are in touch with events but that they have absolutely no money to go any farther or even to set up an experimental station. I just wonder whether any of the funds that are to be voted in the estimates for the Canadian Broadcasting Corporation are for this purpose. I might say it is a live issue in all the hinterland along the north shore of lake Superior.

Mr. Nowlan: And elsewhere.

Mr. McIvor: In backing up what the hon. member for Port Arthur has said, I just wish to express appreciation to the Minister of Public Works for keeping the dredging going in Fort William. It was the first time we

were threatened with a lay-off in dredging before the freeze-up, and the minister has come through just like a Liberal.

Mr. Fleming: What an insult!

Mr. McIvor: This applies also to the Minister of Finance, because I remember how he started as the shortstop on our baseball team. He was there on the job, and if he does as good a job on the team of which he is now a member I can tell you he will be No. 1. But I am anxious to hear from him today what is to be done with respect to increased pensions for retired civil servants. I have a resolution on the order paper and I shall have something to say when it comes up, but if I can get the answer before then it will make it easier. Thank you.

Mr. Herridge: I want to say a few words on the question of unemployment because it is directly related, of course, to government fiscal policies. It is a matter of major concern to my constituents, because we have had an abnormal amount of unemployment in Kootenay West during the past summer, and conditions are growing, shall I say, darker every day.

I was rather disappointed with the answer given by the Minister of Labour to a question asked by a member on this side of the house with respect to this matter. He suggested that all his officers were being advised to search for all the jobs possible and to do what they could to provide employment for persons who are unemployed at the present time. I think that is rather a superficial approach to the situation, because as I understand it from the officers in my district that is exactly what they did all summer, without much effect. You cannot blame them, because it is going to take more than the harrowing of old fields to find the employment necessary to keep our working force employed at this time. It is going to take a change in government trade policies; it will depend on government trade policies and government attitude to public development at this time.

I am not one who is given to extravagant phrases or overestimating the situation, Mr. Chairman, but I do say in all seriousness that it is one of great concern to many of my constituents. We are faced with an abnormal unemployment situation at the present time for two particular reasons. The first is the problem facing the mining industry owing to the price of metals and the lack of markets. Then there is the problem facing the lumber industry owing to the loss of markets and the low prices prevailing. I can assure you, Mr. Chairman, that in that respect I can speak from somewhat painful personal experience. In addition to the loss of markets to the lumber industry, quite recently we found that all purchasing of cedar poles had been cancelled or discontinued. The same thing applies to fir poles. These products go largely to the United States.

This situation has not existed in my constituency since depression times, Mr. Chairman. Therefore you can understand the concern it is causing these men and the small operators who have been in the habit of making their living from processing of cedar, fir, tamarack and other poles. In addition to that, we recently had all our contracts for fence posts cancelled, and the market for piling is about 10 per cent of normal at the present time. For these reasons there is considerable unemployment in my district, and it will increase very rapidly in the few weeks ahead.

So far as the lumber industry is concerned, this is no doubt caused by the lack of markets on the prairies, occasioned by the economic circumstances of the prairie farmers, by the lessened housing program this year until recently, and the loss of markets in the United States.

With respect to the possible loss of markets for base metals, I do want to bring to the attention of the house the action that has been taken in my constituency, very largely, by the international union of mine, mill and smelter workers, to bring this matter to the attention of the government, of the members of parliament from British Columbia and of the public generally. I might say they have taken a most constructive approach to what I recognize, and we all recognize, as a most difficult problem. I think we are beginning to realize more and more that economic problems between the United States and Canada have been getting more difficult from day to day. The union drafted a very sensible and constructive brief and presented it to the cabinet. The members of the delegation were very pleased indeed that the Prime Minister saw fit, as I understand, to meet them on the front steps of the parliament buildings and show his interest in their proposal. I understand the brief was presented to the cabinet and every consideration was promised by those members of the cabinet who listened to it being read.

Later on the union called a meeting of the British Columbia members of parliament. Members from all parties in British Columbia attended the meeting and discussed this important situation for a whole day. At the

conclusion of the day's discussion they came to a unanimous decision. In that connection may I quote the following:

> After hearing national and local union officers present the union's concern and position, the M.P.'s found themselves in agreement to a man on the following public statement which they wired to Prime Minister Diefenbaker:
>
> "As there is serious danger of unemployment in base metal industries because of depressing prices, the following British Columbia M.P.'s urge that the federal government be prepared to take emergency action to keep base metal mines open."

This was signed by all members present. They represented all parties in British Columbia. The union's efforts in this respect have been so constructive and the matter is one of such great concern to the Kootenays particularly and to British Columbia in general that the union has received the support of the Trail city council. At the regular meeting held on July 5 the council expressed approval of this protest and unanimously passed the following resolution:

> That your government take whatever action is felt necessary to protect the interests of our mining and smelting industries.

In addition, chambers of commerce throughout British Columbia and other organizations, including quite a number of unions, have expressed their support and approval.

This is a very serious situation so far as the mining industry and the miners of British Columbia are concerned, and we do urge the government to face up to the problem and take courageous action. It may take some strong action on the part of the government to prevent an increase in duties on imports of base metals into the United States. While the situation is, shall I say, somewhat dormant at the present time, there is no question but that the mining interests of the western states are going to do everything possible to get the United States government to increase these duties at the next session of congress.

I want to say a word or two with respect to the lumber industry. That industry can be assisted by the development of markets in Great Britain—there are possibilities there—and by government policies which will improve our markets in Canada. In addition, I think this is the appropriate time for the government to consider a revision of taxation policies in so far as they apply to the forest industry, and that section of that industry which is practising conservation methods.

In the past income taxation policy has been one of dealing with these cases on their merits. Each individual case was dealt with on its merits and, in my opinion, much to the advantage of the large operators. Like other members of this group I believe in a mixed economy. We believe in a diversified economy, and we know the value of the small businessman, small industries and the small service operator to our economy in maintaining its diversity. I suggest in all seriousness to the Minister of Finance that this is a very appropriate time for a reconsideration of the taxation levied on the lumber industry, and particularly that section of the industry which practises conservation in its operations.

In that respect I should like to quote briefly from an address given to the 1956 British Columbia natural resources conference by D. M. Carey, assistant forester, working plans division, British Columbia forest service. Mind you, this is a government servant speaking, and in his very excellent address he says in part:

> Thus many influences tend to squeeze the smaller forest owner and operator out of independent existence. We have heard it said, "The small logger is doomed." This may well be so in that his days of independence are numbered as things stand on the coast. In the interior he may survive for a few years. Before going any further let me say that personal views which follow are my own views as a forester and therefore they are not necessarily the views of either the B.C. government or the forest service.
>
> I do not think anyone wants to see the small logger liquidated. Is it not better to convert him into an independent logging tree farmer rather than into just one of many wholly dependent subsidiaries or employees of large corporations?

It is the responsibility of the provincial government, Mr. Chairman, to deal with provincial taxation and to determine the type of forest tenure that shall exist in British Columbia, but it is the responsibility of the federal government to devise income taxation policies that will promote the conservation of our natural resources, that will deal fairly with those who are willing to protect them and will protect the interests and rights of the smaller loggers, lumbermen, tree farmers and so on. I do ask the minister to review the policy that has been followed in the past and give consideration to the matter at this time. This is an appropriate time in that those in the lumber industry, particularly the smaller operators, are having a most difficult time to survive and in most cases are not receiving any compensation, shall I say, for trying to preserve the forests for future generations.

However, while we may do something by government policy to increase our trade with Great Britain and improve our markets in Canada, and may do something to a limited extent to improve our markets in the United States—I am not certain what we can do in that respect—only so much can be accomplished because we are harrowing old fields. We are intruding into developed fields while at the same time half the world goes hungry

and lacks the ordinary necessities of life required for a civilized existence. If we face this fact fairly and squarely I think we must realize the limited opportunities there are in the fields that are more generally mentioned compared with the opportunities presented to us in the other half of the world that lacks so many things that we enjoy.

In British Columbia both management and labour recognize this fact. As was so well expressed by the hon. member for Vancouver-Kingsway this morning, they have indicated their recognition of this fact and their support for policies meant to improve the marketing situation in this country, to prevent unemployment and at the same time accept some responsibility for the other half of the world which, as I said before, lacks the things we enjoy. Together with other members of this group and industry and labour in British Columbia I do urge the government to face the situation realistically and recognize the government of China. As the hon. member for Vancouver-Kingsway said, that is not recognition or support of their policies and principles, but we have got to face facts. In recognizing China we will be able to try to develop trade with China, and trade with China means trade with 600 million people who at present require many of the products that we produce.

I might say in passing that the Conservative candidate who ran against me in the last federal election, a very fine gentleman indeed and a good friend of mine, was most ardent in his support of recognition of China and the development of trade policies with China. I hope the government will listen to the policies advocated by some of its defeated candidates now that it is in power, and will do what some of these candidates were suggesting it should do.

I mention this particularly, Mr. Chairman, because, as I said before, we can only do certain limited things by harrowing old fields. We have got to broaden out. We have got to find other markets that exist, and accept our responsibilities on a world-wide basis. I urge the government to act boldly, recognize China, develop trade with China and in so doing prevent unemployment in Canada and assist the hungry and underprivileged people of the rest of the world.

Mr. Martin (Essex East): Mr. Chairman, I had intended to pursue a particular matter, but before doing so may I inquire what are the intentions of the Minister of Finance with respect to replying to the very valid observations, I think, made this morning by the hon. member for Coast-Capilano on the important role which parliament must exercise as a result of the particular procedure proposed by the Minister of Finance. It seems to me that it would be very helpful and would also be calculated to encourage progress if we knew the extent to which the Minister of Finance, after listening to the able arguments of the hon. member for Coast-Capilano, was prepared to accede to his submissions.

I am prepared to go on and discuss the particular matter I have in mind, but it seems to me that it would be helpful and more orderly if we dealt first with the fundamental question of whether or not parliament is going to be called upon to vote under the unprecedented circumstances postulated by the Minister of Finance.

If the Minister of Finance could say whether he is prepared to reply now, I will recognize that as the proper arrangement. Then those of us who have particular questions to ask might submit them to the particular ministers concerned.

If the minister does not intend to reply, then I might as well continue with what I have to say on another subject altogether. But I would think that the interests of parliament, particularly those interests that were so vigorously championed by my hon. friend when he was sitting on this side of the house, require that an answer should be given now as to whether or not we are going to be called upon to vote under circumstances that are certainly contrary to the concept of a free, democratic parliamentary system.

Some hon. Members: Oh, oh.

Mr. Castleden: Mr. Chairman—

Mr. Martin (Essex East): Excuse me, but I had asked my hon. friend a question.

Mr. Castleden: Mr. Chairman, have I the floor?

Mr. Martin (Essex East): Mr. Chairman, I had asked a question. I had the floor and I was proposing to go on to speak about another matter; but I was asking my hon. friend whether he proposed to reply now. Surely my hon. friend can say whether he intends to speak now or later or not at all.

Mr. Fleming: Far be it from me to interrupt the speech of my hon. friend. I gather that he is fairly well through with it by now, is he not?

Mr. Martin (Essex East): Mr. Chairman, my hon. friend has been in this house for 12 years, but he has always sat on the opposition side. Before too long he will learn that the quickest way for a minister of the crown to gain wide acceptance in this house is to recognize that he is not the only member in parliament.

I want to join with others, Mr. Chairman, in congratulating you upon your designation

as chairman of committees of this house. This is an honourable role which I am sure you will discharge responsibly and prudently.

I have some observations that I wish to address to my successor, the Minister of National Health and Welfare. May I say to him, first of all, what I have said to him privately already. I am sure that every member of this house joins with me in extending to my hon. friend sincere congratulations upon his being designated as Minister of National Health and Welfare. I am sure he will find this department an extremely rewarding one. I hope his tenure is brief, but I hope and believe it will be constructive, as he will bring to his assignment the kind of energy and devotion of purpose which have characterized most of his activities, other than his political activities, throughout his life. I am sure he will find this department to be composed of men and women who are devoted to the public service and to the welfare of this country in the pursuit of matters having to do with health and welfare.

I fully appreciate the fact that one could not expect the Minister of National Health and Welfare, who is responsible for the expenditure of a larger sum of money than that expended by any other department of the government other than the Department of National Defence, to have at his finger tips the answer to every conceivable question that might be directed his way. I do not want him for a moment to think I am taking advantage of this situation today. That is not my intention. If there are questions that I put to him the answers to which my hon. friend has not at his finger tips at the moment, I am sure we would all readily understand the reason. But I believe this particular question is of such a nature that at least my hon. friend would be expected to have the answers, as I am sure he has because they are of a general character.

I refer, of course, to the matter I raised when the house met on Tuesday last. I asked the Prime Minister whether any significance was to be drawn from the fact that in the speech from the throne delivered by Her Majesty no reference had been made to the matter of hospital insurance. I asked whether any significance was to be drawn from that omission, and the Prime Minister said that I would be unwarranted in drawing that conclusion. I therefore take it that the policy of the present administration is to do everything it can to bring about an implementation of the system of hospital insurance and diagnostic services which was proposed by the previous government and supported by every member of this house. But as we have not had much indication—if I may say so with great respect—of interest and have had little indication of detail, one wonders whether or not the government is vigorously pursuing the possibility of reaching at an early date some agreement among the six consenting provinces and others in respect of the matter of hospital insurance.

The other day, in answer to the hon. member for Winnipeg North Centre, my hon. friend said that six provinces had accepted in principle the proposals made by the federal government in this matter. My hon. friend will not misunderstand me when I say that information was not new. That information was available to the people of Canada before the election on June 10 last. The fact is that before the election took place six provinces had agreed to the proposal put forward by the federal government under the Hospital Insurance and Diagnostic Services Act. Those six provinces had been named exactly in the manner and in the order which my hon. friend himself used the other day; that is to say, the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Newfoundland and Prince Edward Island had accepted the proposal put forward by the federal government.

One would want now to inquire what situation has developed since the announcement of the consent by these six provinces. Have any agreements been signed? If no agreements have been signed, when is it expected that agreements will be signed? What negotiations are now under way which could result in signatures by provinces of agreements put forward by the federal government or mutually devised or conceived by the federal government and the provincial governments? Has any master agreement been prepared?

The situation prevailing before the previous government went out of office was this. We had discussed with the province of Ontario the terms of a master agreement by which we hoped to be able to conclude the positions taken under the hospital insurance act and provincial enabling legislation. Has the work which resulted in the last conference between the federal government and Ontario been expanded, or has it been decided not to have agreements, as was proposed by at least one of the provinces? What is the situation with regard to the province of New Brunswick, the province of British Columbia and the province of Nova Scotia?

I had been informed, and I so announced in the house, that the premier of the province of Nova Scotia had indicated that he thought this was a measure deserving of support by that province. He told me that there were still some problems which were

concerning him, and I have since learned from the press that he has established some sort of commission to re-examine the whole problem in the light of Nova Scotia's special interest. In this connection it should be noted, of course, that the previous administration in Nova Scotia had set up a commission of inquiry, and that commission had come to the conclusion that it was in Nova Scotia's interest to accept the federal proposal.

Is the minister in a position to tell us whether or not he has reasons to believe that there will be some considerable delay on the part of Nova Scotia in accepting the federal proposal? I had been told some time at the end of May by the minister of health in New Brunswick, in the presence of the minister of health of Nova Scotia, that there was no doubt that the province of New Brunswick was going to come into the scheme and that we might look forward to ready acceptance at a fairly early date by that province of the proposal put forward by the federal government.

These questions are not idle questions, because this whole matter is an important one. The previous government did not arrive at the decision to put forward a proposal which involves very considerable expenditure of public funds without the gravest consideration. It followed as the result of careful consideration by the executive arms of government, both federally and provincially. It was the result and the product of many conferences between the federal and provincial governments. There can be no mistaking the fact that there is a wide acceptance throughout Canada of the desirability of having hospital insurance, and it would be nothing short of a calamity if any undue delay in this matter was deliberate on the part of the present government. I am not suggesting that it is—

Mr. Fleming: You had better not.

Mr. Martin (Essex East):—well, my hon. friend says I had better not and I am glad he has made a speech, finally. However, the fact is that parliament passed the hospital insurance act and that measure was supported by the vote of everyone in the house, including the Prime Minister. Few took a more active part in the deliberations than the Minister of Finance who now looks on and listens to what I am saying, apparently with such great and understandable interest. Notwithstanding that, we have had very little mention at all about this question of hospital insurance by the present administration. With the sole exception of the Minister of National Health and Welfare I am not aware of anyone on the other side saying anything by way of support of this measure, except when the Prime Minister himself, speaking in Winnipeg, made reference to what he thought were some weaknesses of the project. Since the election, however, no one has made any reference to the matter of hospital insurance, certainly not a minister other than the Minister of National Health and Welfare. I commend him for the words he used when he recently took over the administration of his department. He said that this was one question that was going to engage his full attention, one matter to which he was personally greatly dedicated. Outside of this observation we have heard nothing from any of his colleagues, before or after the election, and since the election, so far as I am aware, nothing whatsoever from the minister himself.

Now, we are surely entitled to know whether any progress at all has been made in this matter. The province of Ontario has indicated that it proposes to implement its scheme on January 1, 1959, and when I last conferred with them in my own capacity as Minister of National Health and Welfare I was informed by the premier of Ontario that not later than the end of September he should be in a position to know definitely whether or not the federal government would be able, pursuant to the act, to provide the government of the province of Ontario with its share of the cost of the operation of the Ontario scheme.

Unless some progress has been made I am afraid this situation is not calculated to give much encouragement. If Ontario is going to begin its scheme on January 1, 1959, unless it is to bear the full cost itself it must immediately know whether the other five consenting provinces will have conformed to the requirements of the hospital insurance act, since that legislation provides that the federal money shall be paid only when the six consenting provinces have schemes in being and in support of which the proclamation of the measures under which they operate has taken place. In other words their legislation must be in force and their scheme must be in force. That certainly is not the case in any province except the provinces of British Columbia and Saskatchewan.

What is the situation in Alberta? Does the minister regard the existence of what they have in that province now as sufficient to comply with the act? What about the province of Newfoundland? Does the existing scheme there satisfy his requirements or the requirements as envisaged by the law officers of the crown? What about Prince Edward Island?

If no agreements have been signed, well then, it is clear that Ontario's position, in

so far as the starting date announced by the premier is concerned, is in great jeopardy unless the minister is prepared at some later date to suggest to this committee that there should be an amendment to the act to provide for payments on a basis not now envisaged by the hospital insurance act itself.

In the province of Ontario there is a demand now being made, and an understandable demand, by the insurance companies and by those who are beneficiaries or who are insured under private hospital insurance schemes, for information on the kind of rates that are going to be imposed under the scheme to be brought about at some future date by the government of Ontario. The trade unions and employers of labour are also very interested in knowing what are to be the rates under the hospital insurance scheme in the province of Ontario and, as my hon. friend knows and as I know very well, there are literally thousands of groups all over the country—I mentioned Ontario particularly since that is the province where the greatest job has got to be done because of the numbers to be covered—who are all awaiting very anxiously to know what will be the situation in that particular as well as in other particulars.

What is the real situation? Are any negotiations under way between the federal government and any one of the provinces? Are there any negotiations under way right now between the province of Manitoba and the federal government? The premier of that province is reported as saying that Manitoba is just as good as in. What is the situation in that province? Perhaps the Minister of Finance, either today or on some later occasion soon, will be able to give us some indication. Has an agreement been signed with Saskatchewan? There should be no delay there now because they have a scheme in being; they were prepared to accept the basic proposals embodied in the main agreement that we had worked out in a general way with the province of Ontario. Surely there should be some agreement signed between that province and the federal government. Has any agreement been signed with any province? If no agreement has been signed, what exactly is the situation?

The present Minister of Finance will recall that his party took a strong position in the matter of certain exclusions. The minister moved an amendment in this house to the effect that tuberculosis and mental illness should be provided for in some form. We maintained that as the act was designed to help individuals and not to subsidize provincial governments, as long as provincial governments continued to bear, substantially, the cost of the care of those two illnesses, that should not be a continuing charge on the federal exchequer. But that was not the position taken by hon. gentlemen opposite.

Mr. Fleming: No. You voted against it.

Mr. Martin (Essex East): My hon. friend is going to speak later, and I welcome it. Notwithstanding that, he took the position that those two forms of illness should be included and covered under the hospital insurance act. What is the position of the government now? Does it intend to include tuberculosis and mental illness? I am not arguing whether or not this should be done at this time; I am simply wanting to inquire. Is that one of the reasons why the government is not proceeding with the measure? I am told on fairly reliable authority that the Minister of Finance, whose generosity knew no limits when he was sitting on this side of the house, said to his colleagues, "We certainly cannot do all the things that we promised; there is not enough money".

Mr. Fleming: Oh, such rot.

Mr. Martin (Essex East): My hon. friend says "such rot". It is certainly the kind of rot given out during the election, because there was no limit to what was promised. But I am told the Minister of Finance has taken that position, and he can deny it if he wishes.

Mr. Fleming: Who told you?

Mr. Martin (Essex East): My hon. friend would be very surprised if I were indiscreet enough to inform him.

Mr. Fleming: Go ahead; don't be so discreet. Tell us.

Mr. Martin (Essex East): What is the position? Are tuberculosis and mental illness to be included in the deal with two of the provinces. One of them, in the maritime area, is prepared to go in right away if the government will live up to the position it took when it sat in opposition. I do not know whether or not that is the case, but surely we ought to be informed about this measure by the Minister of National Health and Welfare.

Mr. Knowles (Winnipeg North Centre): Will the hon. member for Essex East permit a question? He will feel it is quite natural to receive a question from me. Would his party now support legislation to extend this coverage?

Mr. Martin (Essex East): The hon. member may on occasion find it would be possible, sitting in that eternal position of opposition as he does, but I am expressing my personal view. As long as the provinces continue to bear the substantial responsibility for the

care provided to their citizens in the matter of tuberculosis and mental illness, then the hospital insurance act should not be used to subsidize provincial governments.

Mr. Knowles (Winnipeg North Centre): Then you have been asking the government to do something that you are not prepared to do.

Mr. Martin (Essex East): No, I don't think the hon. member is fair. I am not asking the government to do something I am not prepared to do myself. I am trying to ascertain if despite the position taken by the government when it was in opposition they are now prepared to oppose that position, that opposition being, I am told, one of the reasons why at least one province is not coming in. That is surely a consistent and honourable position for me to take. But if the provinces and the federal government are able to agree on the assumption of this responsibility under the hospital insurance act, then I would have no quarrel, and then it would be the responsibility of hon. gentlemen opposite who have close and influential connections with provincial governments to see that those governments do something, for instance, by way of paying adequate supplementary old age pensions in their respective provinces with the money thus saved.

What is going to be done about depreciation? Hon. gentlemen opposite argued that we were at fault in not including depreciation in the shareable cost. Is that still the position of the government? Is the Minister of Finance now prepared to say through his colleague, the Minister of National Health and Welfare, or on his own assertion, that the government is now willing to include this additional item? The Minister of Finance says nothing on this subject. He says nothing on whether or not they are going to include tuberculosis and mental illness, and his silence on these matters, as well as the silence of all others in respect of this particular situation, is responsible for the feeling that now exists in all parts of Canada that this government is going to find a convenient way out of doing anything about the matter of hospital insurance so far as the federal government is concerned.

If that is not the situation, why was it not mentioned in the speech from the throne, and why have we not been informed in this house, or before we met, of the progress that was being made? Why have we not got agreement with the provinces in respect of a matter which was brought before this house and which was referred to by the present Prime Minister as the most important social act ever presented to this parliament in the field of health and welfare? If this is an important matter, then the Minister of Finance should, not tomorrow but right now, give an answer to what I have asked and take the opportunity of saying when we may expect action on the part of the government in respect of this vitally important matter.

Mr. Fleming: Mr. Chairman, I should first like to express to the hon. member for Fort William my thanks for his very kind reference this morning, and to say that I hope the same kind of team play can be observed here as was observed on the baseball field out in front of these buildings in days gone by.

I should like also to thank the hon. member for Peace River for his generous remarks on the effort I made this morning to explain the business we are trying to do here today. It is only fair, I think, to tell the newer members of the house that we are witnessing an unusual procedure today on the part of the opposition yonder. In times past these requests for interim supply have been dealt with with celerity, and they have not been made an occasion for such long speeches as the one to which we have just listened—a speech which, no doubt, would have its place in the debate on the speech from the throne but which in this debate is quite out of keeping with the practice of this house in times past under the government of which the hon. member was a not altogether silent member for a good many years.

I shall say no more to my friend the hon. member for Essex East except to comment that I am gravely concerned about the degree of over-anxiety he has displayed in the chamber in the last few days. He is covering a great deal of territory in his outbursts and working himself into a lather much too often. I am concerned that he will not be able to last the three months until the 16th of January.

Mr. Martin (Essex East): Thank you for the solicitation.

Mr. Fleming: I suggest to him that he play it a little more easily because there is quite a while to go yet.

To the hon. member for Coast-Capilano who this morning informed us that he had been chosen by the Leader of the Opposition to be the spokesman of the official opposition on matters pertaining to finance I should like to extend my congratulations and assure him that at all times I personally, and I am sure my colleagues, will be delighted to receive the assistance of his constructive criticism, if any.

Mr. Sinclair: You will get it.

Mr. Fleming: The hon. member for Coast-Capilano this morning was quite concerned about the use I am making of the services of the officials of the Department of Finance. I am glad indeed to embrace this opportunity of paying tribute to the officials of that department. I have never withheld my expression in times past of my sincere praise of the officials of any of the government departments and I may say to the committee that when I was honoured by being invited to accept the portfolio of finance in my first remarks to the officials of that department I assured them of the high regard in which I have always held the officials of that department, many of whom I had known well personally, some of whom I had known slightly and some of whom I had not met before. I made it very clear that I would ask nothing of them except their frank advice fearlessly given and that I would never ask any one of them nor did I want any of them to give advice simply because they thought it was the advice I wanted to hear.

I might tell hon. members opposite they need have no fear about the calls that will be made upon the services of these exemplary servants of the public in the Department of Finance. I would point out to the hon. member for Coast-Capilano that they have been working harder since the 21st day of June than they had been accustomed to working before.

Mr. Sinclair: Because they now have a stupid minister.

Mr. Fleming: My friend the hon. member for Coast-Capilano has also informed the house that he has been reading my speeches. Well, I must thank him for that. I am sure he will find them fair and factual, and I commend to him the example. I hope he will derive some benefit from the effort he is now applying in that direction. He has advised us that he is working now. Well, we will all be glad to hear of that and I must say that after all these years it is not too soon.

As to the quality of his speech I make no comment beyond saying it has been a typical speech of my hon. friend, a flamboyant and demagogic display, an histrionic exhibition of the first order. There were times when the hon. gentleman found it very difficult to keep a straight face and certainly throughout the greater part of his speech I observed that his colleagues about him were also having difficulty keeping straight faces when he rolled out these old expressions to which we have all grown so accustomed. I suggest to my hon. friend that he should vary his technique now that he has been transformed into a member of the opposition. He used to talk to us about the family compact and the Tories. Well isn't it about time he found a new record to play or wrote at least one new speech now that he is working?

Mr. Sinclair: But the Tories have not changed.

Mr. Fleming: I will have something to say about what I think was the only point my hon. friend made during the course of his remarks. I might comment that the hon. gentleman tried to make it appear to be three points. I will come back and deal with the first one which I thought was his real point, but let us now have a look at what he said were his second and third points.

Concerning the measure before the house today he said his second criticism was on the ground of the form of the measure. It simply follows the time honoured form. Somehow or other the hon. gentleman led himself on from that assertion to say the government was mulcting the taxpayer of unnecessary funds. That was a remark made about the estimates which he and his colleagues drew and introduced in this house last spring, and if there is any mulcting of the taxpayer of unnecessary funds the responsibility lies and will continue to rest on him and his colleagues.

I simply make this observation in passing, that no item is being passed finally today. If the measure the government has introduced passes there is no final decision on any item.

The hon. gentleman has been out of touch with finance, as he revealed today, much too long notwithstanding his experience at one time as parliamentary assistant to the Minister of Finance. He undertook to tell the committee that there was power on the part of the government once these items were voted to transfer moneys back and forth. He ought to know and surely I should not have to remind the hon. gentleman after he has been in the house for 17 years that it is not possible to transfer money from one item to another.

Mr. Sinclair: Within a department?

Mr. Fleming: No, not within a department. It is not possible to transfer moneys from one item to another. The items are statutory when they are passed and all that can be done is transfer amounts within the details of an item. No money can be transferred from one item to another and it is high time the hon. gentleman learned that if he is going to discharge his new function.

And then in dealing with what he called his third point the hon. gentleman went back to Saskatoon in 1953.

Mr. Sinclair: 1952.

Mr. Fleming: The hon. member got his tenses all mixed up; one minute he was out in Saskatoon and another minute he was in Ottawa; one minute dealing with 1953 and the next minute back dealing with 1957. He referred to a statement made in 1953 by the then leader of the Conservative party about a reduction of $200 million which Mr. Drew said should be made in national defence. We in this house lived to see the reduction made which he said could be made without any impairment of our national defence.

Of course the hon. gentleman did not go on to say that the items we are dealing with are already committed, that the present government today does not have a free hand. We are not starting a new fiscal year. We are dealing with estimates that were already introduced, with programs that were already far underway before we came into office.

Mr. Pickersgill: It is three months now since you came into office.

Mr. Fleming: I wish now to come back to the one point of the minister's speech.

Mr. Sinclair: Thank you.

Mr. Fleming: However, before dealing with the only real point of the hon. member's address, that part of the speech which he called point No. 1, I have a word or two for my friend the hon. member for Winnipeg North Centre. He began by complaining that copies of the resolution were not available. The hon. member for Winnipeg North Centre has been in the house for some 15 years and I have been here for some 12 years. Never once in that time have copies of the resolutions been circulated. Indeed, something has been done today by the Minister of Finance that has never been done in the 12 years I have been in this chamber. The Minister of Finance today furnished copies of the details of the resolution to all of the three parties in the opposition and I must say that in times past sitting in opposition my question always was when such resolutions were introduced: will you tell us something about it? Give us the breakdown? Of what items are you voting one-twelfth? What items are not being voted simply on the basis of one-twelfth? We always had to take up time asking such questions. I am glad the sheets we distributed served some purpose today, but I think my hon. friend might have recognized that this is the first time this kind of co-operation has been extended by a minister of finance to members of the other parties in the house.

To my very great surprise indeed the hon. gentleman complained that parliament had not been called in September. It is well that we should pause for a moment to consider the significance of what the hon. member has said and the fact that on this complaint he built a baseless assertion that the Prime Minister of this country has broken faith with the promises made in the election campaign.

What was the fact, sir? When we came into office we found that the previous government had already long before committed the use of these buildings to an international conference. We did not have the details of the sittings of that body, but the fact is that the meetings of that international postal conference did not end in this chamber until October 3. What was much more significant, as the Prime Minister explained yesterday, was that the plans made for the visit of Her Majesty had been substantially advanced.

Mr. Pickersgill: By a Liberal government.

Mr. Fleming: I say that had the incoming government not proceeded in the light of the plans that had already been made and invited Her Majesty to open parliament, such a loss would have fallen on the Canadian people that no amount of talk on the part of my hon. friend until doomsday would ever repair; for something has been given to the soul of the Canadian people this week by the visit of Her Majesty and Her Majesty's opening of the Canadian parliament that will enrich that soul for generations to come.

Mr. Chevrier: Your speech will not.

Mr. Fleming: Mr. Chairman, my hon. friend then went on to say that he wanted to know what was to be the basis of the new pensions that the government is proposing in the throne speech, and he wanted those included in the scope of the present measure. For one who is supposed to know something about the rules of the house, did you ever hear anything more utterly outlandish, did you ever hear of anything as unconstitutional? We are not including in the scope of the measure today payments for measures that have not even been introduced in the house, let alone brought here with a recommendation of His Excellency. Are we to be told now by the hon. member that we should be making disclosures here and now of the intent of the government with respect to the contents of legislation long before the resolutions, which must have the approval of His Excellency, are introduced in the house? I was surprised beyond measure to hear doctrine like that coming from the hon. member for Winnipeg North Centre.

I can assure him that it is the intention of the government to follow strictly constitutional practice in this matter, and those measures that I think all hon. members, those on this side of the house as well as those

on the other side of the house, are awaiting with no little interest will be introduced in this house just as quickly as the transaction of business in the house will permit. That means the completion of the speech from the throne debate and the emergency measure with respect to cash advances on farm-stored grain. We hope then to get on with all dispatch with these measures respecting increases in social security benefits and I hope we shall have my hon. friend's support in trying to expedite the program.

I may say to him when he complains that I did not answer a certain telegram he sent me back in the summer that I would have been violating my constitutional duty as a minister of the crown to have informed him of the contents of whatever it might be that the government intended to bring in later on by way of a measure, and that, from an hon. gentleman who has devoted long years to the assiduous study of the rules of the house.

Now, sir, he has asked for some further assurance in regard to these items in the further supplementary estimates, No. 1.

Mr. Richardson: May I ask a question?

Mr. Fleming: I am afraid I will have to ask my hon. friend to wait until the conclusion of my thirty minutes. My time is limited. I will be glad to deal with all questions if he will permit me to conclude my remarks. I am a little concerned about the time.

My hon. friend wanted some further assurance about the position of the items in the further supplementary estimates, No. 1. There were eight of those items and five of them were carried into effect by the form of legislation that was contained in the appropriation bill. Those are statutory items and I am assured by the law officer of my department that no further vote is necessary in that respect. Those payments are provided for fully for the remainder of the current fiscal year to March 31 next.

But the three final items, which are the ones referred to in the sheet which I sent him, have not attained statutory effect as a result of the appropriation bill which was passed. It may be that they were intended to have that effect, but I am informed by the law officer of my department it is necessary to make a special provision in the present bill in order to continue payment of those items, and I hope we shall have the support of the committee in seeking to do so.

Sir, I wish to come now to what my hon. friend from Coast-Capilano had to say, echoed as it was by the hon. member for St. Antoine-Westmount. Let me say to the committee that the government is today not only following the constitutional course, it is following the only course that was physically open to it in the circumstances. It was a physical impossibility to rewrite the whole volume of estimates in the time available. The work that has been indicated with respect to seeking to find savings, where savings could be made, in the volume of estimates that has been re-introduced in the house, is a continuing task and it is going to be carried on.

The committee today is not being asked to overvote any sum, and we stand as a government behind every item for which we are asking today; that is to say, to the extent to which we are asking for it. We are standing back of it and it is perfectly clear and was made perfectly clear this morning.

What is the great to-do that was made by hon. members opposite? What is the substance of it all?

There are 802 items in these four groups of estimates altogether. In the main estimates there were 537 items. Four of them were finally adopted by the former parliament; 533 remain. Of these 533, there are 15 on account of which we are not asking any further vote today; on 10 we are asking for a little more than one-twelfth; on the remaining 508 we are simply asking for one-twelfth, the equivalent of a month, and that does not carry them beyond their proportion of seven-twelfths. There is therefore ample room to do all that the government may wish to do by way of saving without trespassing one inch upon the prerogatives, the duties and responsibilities of parliament.

Of the supplementary estimates there were 47 items. One was finally voted by the former parliament; 46 remain. On two of these we are not asking for anything further. On the other 44 we are asking for only one-twelfth, the equivalent of one month. Of the further supplementary estimates No. 1 there were eight items. Of these five were finally voted by the former parliament and three remain. On these three we are asking simply for one-twelfth, the equivalent of one month.

Of the further supplementary estimates, No. 2, I should note that it was clear to hon. members opposite that the government, having introduced these, is standing behind them all 100 per cent. But if hon. members opposite are still querulous on that subject, let me say to them that of the 110 items therein, on 107 of them we are asking simply for one-twelfth, the equivalent of one month's vote. That means that out of 802 items there are only 13 of which we are asking for more than one-twelfth, and with respect to every one of those 13 there is an explanation which I shall be happy to give and which I know

will satisfy the committee and even hon. gentlemen opposite because I miss my guess if they are prepared to challenge what we are asking for in any of these. I shall be glad to give full details of these. There is a special reason in every case and a satisfactory reason.

I repeat the undertaking that I gave this morning and which in the 12 years that I have been in this house has been given by ministers of finance on every request for a vote of interim supply, I suppose 50 times in those 12 years, that the passing of this bill will not prejudice the rights and privileges of members to criticize any item in the estimates when it comes up for consideration in committee of supply. The usual undertaking is hereby given that such rights and privileges will be respected and will not be curtailed or restricted in any way as a result of the passing of this measure.

The hon. member for Coast-Capilano said this morning that there was no precedent for what is being done here, a government submitting to the house a message from His Excellency recommending certain estimates to the house and then not being prepared to stand behind them. Precedents, he says! Well, sir, what are the facts? I wish there were time, Mr. Chairman, but I have time only to give the house 13 precedents on the subject. I have not gone back of the fiscal year 1940-41—

Mr. Stick: That is an unlucky number.

Mr. Fleming:—but there is a series of items in estimates from that time down to the past session where items were introduced by the government in the form of a message from His Excellency recommending them to the consideration of the house and ministers of the last government when those estimates were reached, in many cases after portions of them had been voted by way of votes of interim supply, rose and withdrew them or submitted to reductions in them.

Mr. Pickersgill: That is not a precedent at all.

Mr. Fleming: I do not quarrel with their reduction or withdrawal of those items. I believe that they should have withdrawn or reduced a great many of the items they tried to stuff down the throats of members of the last three parliaments.

But where is this great principle? We were told there is precedent for such a thing! I well recall an experience of my own when Mr. Winters was minister of public works. You will find it recorded at page 4263 of *Hansard* of April 29, 1954. An item was called of something over $1 million. I asked some questions about it and it turned out that there was a whole lot of money in that item that was not required. What happened? The government of that time did not even wait for me to move a reduction. The gentleman who two months later became minister of finance rose and moved the reduction in that item, an item that had come to the house with the approval of the governor in council.

Was there any shrieking then about the violation of some constitutional principle? Oh, no! It just depends whose ox is gored. But I will be glad to give chapter and verse for what I have said in regard to all of these items of estimates in the years from 1940 to 1957. In the fiscal year 1940-41 there was item 38; in 1941-42 item 137; in 1942-43 item 200; in 1949-50 item 607, in 1951-52 item 650; in 1953-54 item 487; in 1954-55 item 535; in 1955-56 items 331 and 544; and in 1956-57 items 386 and 289.

Mr. Pickersgill: May I ask a question?

Mr. Fleming: When I have completed my remarks I will be glad to have any questions that hon. gentlemen wish to ask. I made that clear already.

Now, Mr. Chairman, because we are subject to a time limit I hope that hon. gentlemen opposite will have the goodness and the responsibility to come back and ask me with regard to these 13 items for the reason why in every case it is necessary to ask the house to vote more than one-twelfth. I remind the house, as I said this morning, that in no case is the total vote being exhausted. There is still ample room for the exercise of the responsibility of every member of the house. There is at the same time ample room for the efforts that the government is assiduously making to achieve savings in the interests of the taxpayers and of sound government.

But let me say this in the several minutes that remain to me. The hon. member for Coast-Capilano spoke in a loud voice today and with great assurance until he came near the end of his remarks. But then we witnessed what we witnessed yesterday in the speech of the Leader of the Opposition, a bold start, a strong middle part of the speech and then in the conclusion a sad faltering.

If this government is guilty of what the hon. member for Coast-Capilano said about it this morning, then it is perfectly clear that as a government we have no right to sit in these places. We ought to be discharged from office if we have violated the decencies of the constitution and the rights of parliament as he asserted today. But by the same token, having regard to the responsibilities

of an opposition and, above all, an official opposition and, above all, that of the spokesman on financial matters—

Mr. Sinclair: Watch your temper.

Mr. Fleming:—for that official opposition, what have you to say, sir, about the sense of responsibility of a spokesman for the opposition who in a matter of that kind accuses the government of violating the rights of parliament and constitutional decencies and then stops short of being prepared to challenge the right of the government to retain office? I say that that weak-kneed course of action is a demonstration of irresponsibility, and I warn hon. gentlemen opposite that if they think that they can deliver these sniping speeches, deliver themselves of these hit-and-run efforts and not be called to account in the house, they are mistaken.

Mr. Martin (Essex East): Don't threaten.

Mr. Fleming: After what was said this morning I can assure them that they will have full opportunity to declare whether they have confidence in the government or whether this government is no longer to retain office, for it is my intention—I make it quite clear now—to press for a division on every stage of this measure today in this committee, in the committees that follow and in the house. Personally I am going to watch with the closest interest the vote that the hon. member for Coast-Capilano casts. I shall be asking myself how he is going to cast his vote. In the first place, is he going to vote?

Mr. Sinclair: He will vote.

Mr. Fleming: That is one question. Question No. 2: If he is going to vote, is he going to vote in the vein in which he spoke for the first 90 per cent of his speech today or is he going to turn tail on his speech and run?

Mr. Sinclair: I am sure there is no question in hon. members' minds who has delivered the louder speech today.

Mr. Hees: Or who has delivered the best speech.

Mr. Sinclair: Now that the sound and fury have temporarily subsided, I want to return to my original point. When I spoke this morning I drew the attention of the committee to the remarks that the minister made on Tuesday, October 15, though not in quite the same loud voice, remarks unique in the history of this parliament. The so-called precedents he has now recounted to us are not, as I will point out in a moment, precedents at all. But this is what he said, as found at page 11 of *Hansard* for last Tuesday:

> However, this is not to say that the present government will support all of the detailed programs contemplated when those estimates were originally prepared. Rather, such changes as this government proposes to make in the current year programs will be brought to parliament's attention when the individual items affected are being considered by the committee of supply.

All we asked this morning was that the minister tell the committee what items he is supporting in accord with the governor general's recommendation and what are the items which, as mentioned here, he has not committed himself to support. That is what I asked the hon. gentleman, and in the midst of all this crescendo of sound coming from this little man there was one thing he said: We stand behind every one of these estimates presented this day.

Mr. Fleming: No, no.

Mr. Sinclair: That is exactly what we asked him to say.

Mr. Fleming: No.

Mr. Sinclair: Those are the very words, the very words—

An hon. Member: Behind the bill.

Mr. Sinclair: —and I thank him for that assurance because now he is showing more good sense than he has showed so far—

Mr. Fleming: You are running out.

Mr. Sinclair: —in his conduct of affairs as Minister of Finance. Let me tell you about these estimates he is standing behind. These estimates, concerning which he has been unable to give us one single item that he will not approve, were prepared by the gentlemen who now sit on this side of the house, and naturally we are going to support every single item of these estimates that we prepared.

We are not turning our backs on our own work. What we wanted from the minister was some indication of those items for which he was not taking paternity. He has apparently taken paternity for all these estimates. He went to some trouble to build up a straw man about those items for which he is only asking one-twelfth and those for which he is asking other fractions.

We understand perfectly the reason for that. He dealt with it very carefully and cleverly for new members in that rather professorial speech with which he began his morning's remarks. But I am glad, as are all members of the opposition, that we have smoked out the minister and that he is unable to provide us with this list of items which he

is not prepared to support. He said that in the short time that he was having lunch he was able to find these thirteen precedents—

Mr. Fleming: I did not say anything about lunch.

Mr. Sinclair: Oh, he did not have any lunch. For the benefit of new members he pointed out that these main estimates are actually prepared by the various departments of government in the early fall and cleared through treasury board generally in December. Then before the actual reference of the estimates to the house there are other things which arise which sometimes occasion the need for more money and sometimes occasion the need for less money. But when these estimates were presented by a government in good faith the government believed that all the money they asked for was needed and they stood behind that submission of estimates.

Naturally if, during the course of the year as the months rolled by it was found that some requirements were not going to be needed it was of course the proper action for a minister to take to stand up and inform the house, as did the Minister of Finance, apparently to the chagrin of the hon. member for Eglinton. He beat the hon. member for Eglinton to the punch and apparently the recollection of it still rankles. It is the proper function of the minister to inform the house that this money is not needed. But that is a very different course of conduct from what we saw on Tuesday when he announced to the house that he was at that time supporting only some of the estimates.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, in his remark a few moments ago the Minister of Finance chose to criticize me for having suggested that the Prime Minister should have kept his election promise to call parliament in September to deal with the question of old age pensions. Let me make it clear that the Prime Minister made that promise not just once but on several occasions. He did it in a speech at Toronto on April 25. He repeated the promise in the city of Hull on May 7 and in Guelph, Ontario, on May 13. He gave the same promise again in a telecast over the C.B.C. on May 22 and in a C.B.C. radio talk from Vancouver on May 24. As a matter of fact, he made the promise in a speech as late as June 9, the day before the election, that if the Conservatives were returned to power they would call a September session of parliament to deal with the question of old age pensions.

The Minister of Finance suggested that that promise could not be fulfilled for two reasons, both of which he blames on the previous administration. He says, first of all, that the previous administration had made an arrangement a number of years ago for the universal postal union to meet in this chamber during the month of September. I remind hon. members opposite—and I call the Postmaster General as witness—that they knew of those arrangements. Those arrangements were debated in this House of Commons last March or April and I presume the Prime Minister was here. At least he should have known what was going on.

The present Postmaster General who then sat near us on this side of the house complained about those arrangements. The Conservatives knew that this building was committed for September to the universal postal union when the Prime Minister made this promise to call parliament in September. If he did not intend to carry out the promise because of that fact he should have said so or, having made the promise, he should have made other arrangements so far as the universal postal union was concerned.

The other excuse which the Minister of Finance now puts forth for the Prime Minister's not carrying out this promise—and this is the Prime Minister who on election night and several times since then said, "I will keep faith"—was the arrangement made by the previous government for Her Majesty to be here in mid-October. I am satisfied that the Prime Minister knew of this arrangement as well.

Mr. Fleming: That is not true.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I am going to give this house the reason why I think he must have known. Last April, shortly before we came to the end of the session, the former prime minister chose to call in spokesmen of groups on this side of the house in order to indicate what the plans were for the balance of that session. My leader happened to be ill at the time and when it was the turn of the spokesman for the C.C.F. to be called in, I was called to the office of the former prime minister. He told me—and I think he would not mind my saying this—that he had already spoken to the then leader of the opposition. I do not know what he told the then leader of the opposition but I know what he told me. He told me, amongst other things, of the plans for Her Majesty the Queen to come here in October. He also told me that the reason supply was being asked for to the end of October rather than to the end of September, as had been originally planned, was so that the opening of parliament, if it was so desired, could be delayed in order for Her Majesty to carry out that function.

I do not know what the then prime minister told the then leader of the opposition but I would be greatly surprised if he told me, the second spokesman of a minority party, more than he told the then leader of the official opposition. I suggest that not only was there that private discussion—and I am sure that I am not breaking any confidence now in referring to it—but there were references in the house to the fact that Her Majesty the Queen was coming to the North American continent this fall. I am satisfied that the Prime Minister, when he was campaigning for the election and promising a September session of parliament, knew that Her Majesty was going to come here in October.

The Minister of Finance cannot get away with the display that he tried to indulge in and the suggestion that I would have robbed the Canadian people of the experience we have had this week because of the presence of Her Majesty. I recall to the Minister of Finance and repeat what I said this morning, namely that I think it would have been even more memorable and even more historic and would have given something even more lasting to the Canadian people if Her Majesty, on October 14, the day that she was here, had been given the opportunity, not just to open parliament and wonder what was coming but to give royal assent in person to a bill increasing the old age pension, a bill increasing the war veterans allowance and some of the other things that could have been passed by now if the Prime Minister had kept his sacred promise to call parliament in September. It is not good enough for the 5,000 senior citizens who die every month, the 5,000 or 10,000 who will never get whatever increase is in mind because the present government found a way to wiggle out of the promise it made.

Some hon. Members: Oh, oh.

Mr. Knowles (Winnipeg North Centre): Oh, yes; to wiggle out, to renege on the sacred promise made to the people of this country, particularly to our senior citizens, who incidentally were singled out for particular notice by being mentioned first with regard to domestic matters in the speech from the throne. I say again that it would have been far more memorable if Her Majesty had been given this other opportunity.

This idea is not original with me. In the press comments as to what would happen after the new government took office some newspaper columnists suggested that this was a solution to the problem of what to do because Her Majesty was coming in October, namely that the session could be called in September as planned and arrangements could be made for royal assent in person in October. I suggest that it would have been just as much for the pleasure of the Canadian people to have that happen as to have the interesting experience that we have had this week.

The Minister of Finance twits me for asking him for something which he says is unconstitutional or not in keeping with the rules of procedure. He says that I must not ask him in advance of resolutions being placed on the order paper, with the approval of the governor general, as to what the government proposes to bring down. The Minister of Justice will recall that last year or the year before he complained because the then prime minister, the present Leader of the Opposition, announced certain proposals regarding university grants and the Canada Council in advance of the speech from the throne. He complained that this was giving, before the governor general read the speech from the throne, information that should not be given until the speech from the throne was brought down.

Well, the Minister of Finance did the same thing this year. Toward the end of June or early in July he made a speech or gave a press release in which he announced that there would be a budget this fall and that there would be an increase in the old age pension. In other words, he committed the same sin which the Minister of Justice complained about when it was committed a year ago by the then prime minister.

I do not say that it is a sin to announce some of the intentions of the government, so long as the government makes it clear that it will merely recommend certain things to parliament but recognizes that parliament has the final word with regard to these matters.

I suggest to the Minister of Finance that if it was competent for him, in advance of the reading of the speech from the throne, to announce something which was going to be in the speech from the throne—that is to say, an increase in the amount of the old age pension—then it is competent for us to ask him for further details with respect to the matter. It was in that spirit that I sent him the telegram to which I referred and which I think should now be placed on the record: It is dated at Winnipeg July 2, 1957:

Hon. Donald Fleming,
Minister of Finance,
Ottawa, Ontario.

Your announcement of an increase in old age pension this fall heartily welcomed by all. It would mean a great deal to our senior citizens if you would confirm now by further public announcement that the government will recommend that the pension be increased to not less than $60 a month in keeping with the figure mentioned by

Mr. Diefenbaker when he spoke in the House of Commons on March 28 this year. Retired federal civil servants also counting on early announcement of pension increases for those in lower and middle brackets in line with support to our demands for same given in past by prominent members of your party. Remember also Mr. Diefenbaker's support of our insistence on a substantial increase in basic $25 pension paid to C.N.R. employees. Trust announcement of action on this matter will be made soon. Please reply.

Stanley Knowles, Winnipeg North Centre.

As I say, I have to date received no reply to that telegram which was simply a request that the minister make more clear and more precise the details of an announcement which he had chosen to make, despite the fact that it was dealing with a matter which was to be included in the speech from the throne. As for chiding anyone on this side of the chamber for seeking information as to the intentions of the government, I suggest that no member on the other side who was in parliament before can do any such chiding and get away with it.

My hon. friend, the Minister of Finance, tried time and time again when he was on this side of the chamber to get information out of the late government. Constitutional and procedural technicalities did not seem to bother him then. Now, all of a sudden constitutional and procedural technicalities seem to be something behind which he can hide because of his unwillingness to disclose this information. In that connection the motion which is before the committee of supply today asks us to continue for another month, the month of November, the expenditure programs of the old government, with a few changes involving the further supplementary estimates No. 2. I submit that a parliament which was told there was going to be a September session for dealing with old age pensions and was told that information would be given has the right to that information now. Are we going to have to wait, no one knows how long, until these changes are brought into being?

If the members on the government benches really believe in the supremacy of parliament and if they believe in the right of the members of parliament to be given information and not to be met with an iron curtain of secrecy, about which they used to complain, I submit that they have no right to stand up and make speeches of the kind that was made today by the Minister of Finance.

Mr. Byrne: Mr. Chairman, I should like to return for a moment to the question of the large number of unemployed and the increasing unemployment problem. In my own constituency at least seven or eight lumber mills have closed down throwing out of work some four or five hundred lumber workers.

The Prime Minister in his pre-election promises indicated that he was prepared to increase the benefits of the Unemployment Insurance Act. Now while that is simply a palliative and it would not increase the market for lumber, I think in view of the rising cost of living something should be done in this regard and that it should not be left to the end of the session. Some action should be taken immediately.

I want to touch also upon the matter raised by the hon. member for Kootenay West. You will recall that I raised this question on the second day on which parliament convened. I asked the Prime Minister if he would be prepared to carry out his promise to consider the question of stock piling base metals and maintaining a floor price on those metals, that is to say, lead, zinc, copper and so on, metals which have depreciated in price to such an extent that many hard rock miners, particularly in western Canada, are being pressed to the wall. They too will, of course, be seeking unemployment insurance this winter and will be looking forward with very great interest to any increases that the Minister of Labour may be prepared to recommend. I was disappointed by the answer which I received from the right hon. Prime Minister and I hope that this is not another example of breaking faith with the people of Canada.

When the officers and other delegates of the international union of mine, mill and smelter workers waited upon the Prime Minister and his cabinet there was undoubtedly a threat of increased tariffs on lead and zinc entering into the United States, but that was not the basis of their representations. The basis of their representations was that because of the price of metals at this moment, and at that moment in which they appeared which I believe was on August 6 last, many mines were being closed down. The large producers were curtailing production. As a matter of fact, in the paper—the *Mine Mill Herald*—which is distributed to its various members, they show pictures of deserted mining camps and ghost towns.

Now while the Prime Minister appeared to give very careful consideration to the delegation, it is quite obvious that he missed the point, and that is that prices are such at this moment that mines were being closed and miners are being thrown out of work. This was not something in anticipation of action by Congress of the United States. For that matter it is being discussed at this very moment.

I read in the paper while I was coming here on the train that the western metal mining interests had been granted another

hearing on the question of the increased tariff against our metals, so that question was not the paramount one in my mind. The Prime Minister promised consideration of this matter, and I simply asked the Prime Minister if he was still giving consideration to the question; not to disclose the policy of the government, but to let us know that he is still giving continuous attention to the subject and not forgetting it, as he appears to have done judging from the answer he made to my question yesterday.

I cannot help but take a few minutes in which to congratulate the Canadian Broadcasting Corporation on the very good work which they did during the visit of Her Majesty the Queen and the Duke of Edinburgh. There is no doubt that it was the finest effort on a large scale that has ever been carried out anywhere on the North American continent and I am indeed grateful that the result will remain on the record for all time and that it will be shown, undoubtedly, for many years to come. I am pleased that all Canada and all the western world will, no doubt, be able to see the pageantry that marked the occasion and the history that was made here during that visit. But there is one thing on which I am not quite clear. I have been unable to determine, despite my inquiries, just where the authority arose for the installation of television cameras in the Commons chamber for the purpose of telecasting the actual proceedings of the house. Much of the speech made yesterday by the Prime Minister had to do with the rights and the supremacy of parliament and the rights of members of parliament, and I am wondering how many members of parliament were contacted in order to determine whether they were prepared to accept this change in procedure. I know this sounds like a very small matter, but when the question of rights and privileges is being discussed in such glowing terms by members of the government I think it is appropriate that we should look into the whole question.

In 1954 the former leader of the Conservative party, the Hon. George Drew, took very great exception to the fact that a wire recorder was used experimentally in a committee—the committee on external affairs—and he had this to say in the House of Commons on a question of privilege. I will read part of what he said to show that he and many other members of his party felt that there should be no encroachment on the prerogatives of hon. members of this house. On page 3845 of *Hansard* of Wednesday, April 7, the Hon. George Drew said, and I quote in part:

> I place this before you, Mr. Speaker, because there has been a very strong objection to the introduction of recording devices here in this house except in those cases whereby, with consent, the speeches of persons such as President Eisenhower or Mr. Churchill or others who recently visited us were broadcast.

Then he goes on to say:

> It seems to me, Mr. Speaker, that is is not within the authority of any committee to depart from established practices in regard to methods of procedure even though the committees have full right to decide their own procedure within well established rules.

I go on, quoting from the hon. gentleman's remarks:

> If the committee has the right to start taking tape recordings by microphones which could then in turn be broadcast, either in whole or in part, then the next step could easily be television.

I think it is a wonderful thing that the people across Canada should be enabled to see the opening of parliament and procedures in this house, but I do inquire with regard to the change in procedure that was made and the encroachment on members' prerogatives by the action that was taken. I do not know where this action originated; I have not been able to contact the former Speaker. Perhaps those in authority on our side of the house agreed with the arrangement; nevertheless, when members of the present government feel so strongly about the supremacy of parliament and the prerogatives of hon. members within this house I feel that they should at least have contacted the 260 or more members who were to be televised on that occasion.

Mr. McLeod: Mr. Chairman, I have a few general remarks to make, more particularly on one or two of the items dealing with the Department of Agriculture. I understood the Minister of Finance to say during his statement that the passage of this motion for supply would not in any way prejudice our rights to have full discussion of agriculture or other estimates during this session. If that is right, and if the minister can assure me that we will have the privilege of discussing the estimates of the Department of Agriculture for 1957 and 1958 during this session I will expedite the matter by taking my seat at this time.

Mr. Fleming: Mr. Chairman, I gave that assurance in the most explicit terms. There is not one item here which will not be before us again in committee of supply, and there will be the fullest opportunity for examining it. It is not a question of privilege; it is a question of hon. members' rights which are fully preserved by the undertaking I gave in time-honoured terms during the debate.

Mr. McLeod: Thank you, Mr. Chairman, then I will resume my seat.

Mr. Castleden: Mr. Chairman, the debate on supply provides hon. members of this house with an opportunity to draw the attention of the administration to problems or difficulties which exist within their part of the realm, and which affect the constituencies they represent here. I rise at this time only to point out that there are very serious difficulties and problems in the prairie region, problems which have reached disastrous proportions.

The ruinous policies of the former government are only too evident in our part of the country, and at the present time in the particular area from which I come 60 to 75 per cent of the agricultural producers have not been permitted to deliver even one bushel of the grain on their farms this year. As the result of "flooded" elevators and the inability to get box cars farmers are in a disastrous position.

I wish to say that the hopes of all agricultural producers rose very rapidly when they heard from the present administration that it was the intention of this government to see that those engaged in agriculture would be assured of their fair share of the national income.

They are watching this house very closely and waiting patiently to see that this promise is carried out in meeting the dire situation that exists at the present time. I do think, however, immediate action is necessary to prevent a further decline which might occur even within the next few weeks before the debate on the address on the speech from the throne is completed and legislation is put through. I rise at this time because I firmly believe immediate action is necessary.

Agricultural producers in that area who are unable to deliver any grain have undertaken the arduous task of feeding much of that grain to livestock. Much of that livestock in the form of hogs is ready to market and cattle now constitute practically the only means by which they can receive remuneration for their year's work. The price to the producers of that livestock is dropping rapidly and they fear that a continuation of this trend will produce disastrous results.

I urge this as an immediate course of action on the part of the present administration and I direct my remarks particularly to the Minister of Agriculture because the people in that area are looking to him for action. In order to prevent a decline we urge that two steps be taken. The first is that an immediate floor price be established on all livestock products. Already the prices of these commodities on the market are below the costs of production. Should a further decline occur it cannot fail to have disastrous consequences. At this time of year particularly on the regular market operations a decline seems to be inevitable.

The second step we would urge the minister to adopt, if necessary by order in council, is that he immediately set up a board of livestock commissioners to ensure that livestock, and particularly cattle as it is taken from the producer, is properly graded. At the present time there is no proper grading of livestock to protect the interest of the producer. When he brings his livestock to the stockyard he has to accept whatever grade and price the packing house buyers offer him for his commodity. It then goes on the market and he has no assurance that his animals are graded properly and must accept whatever price and grade they see fit to place upon it.

I outline these two steps as a matter of deep concern and as a course of action which will do a great deal to restore confidence in the hearts and minds of Canadian agricultural producers that this government intends to see that this important segment of our population receives a fair share of the national income. I do not believe these producers can be assured of their share of the national income unless these two steps are taken. I sincerely urge the government to do this now in order to prevent a further decline and increased suffering on the part of those who are looking to this government for some remedy for this grave situation. I cannot emphasize too strongly the importance and seriousness of this question and it would be a matter of extremely wise policy on the part of the government to immediately carry out the two steps I have indicated.

Mr. Murphy (Westmorland): Mr. Chairman, I would like to speak on this motion because I have been endeavouring to find out something concerning the promise of an amount of money that was to be made available for extra work on the Canadian National Railways in Moncton and at other terminal points.

On July 10, 1957, His Worship M. M. Baig, mayor of Moncton, Hon. Joseph Bourgeois, minister without portfolio in the New Brunswick government and I sent a telegram to nine of the cabinet ministers of the present government in which we protested the layoff in the shops, asked reconsideration of the matter and recommended the building of additional railway equipment in Moncton. This was not a strange request at all because a few years ago the present Minister of Transport came to Moncton as the president of the

Progressive Conservative association and at that time termed the existing layoff as deplorable and unnecesary.

However, when I ask him about the same matter now he does not give the same answer. Instead, when I ask him about layoffs although he still continues to say he considers them deplorable he brushes off the subject very quickly and advises that layoffs have to take place from time to time. Apparently now he believes that layoffs have to take place from time to time on the C.N.R. in Moncton and at other points and although I agree with him that this is true under the present circumstances I contend, as he did, that they would be unnecessary if more equipment was built and repaired at the Moncton shops, especially dining car equipment which used to be repaired and built there. There would then be more employment available and these men would not have to be laid off.

When a proposed layoff in the C.N.R. was suggested some two or three years ago the present Minister of Transport as president of the Progressive Conservative association was reported in the press as offering an explanation for the layoffs in these words:

Mr. Hees charged that the situation created by shops lay-offs in this area was aggravated because the work was being shifted to Montreal where the additional employment would mean little, if anything, to that city.

Apparently there is lots of work available in Montreal. The press report continues:

"But," he said, "it is a very serious blow to the Moncton area."

If that was the policy of his party at that time, and he was speaking as president of the Progressive Conservative association, it should be his policy today as Minister of Transport and that of his party.

In answer to our telegram and to the many others addressed to the minister on the same subject we were advised that money would be made available to the Canadian National Railways for the purpose of carrying out extra work in the C.N.R. shops. When I left Moncton a short time ago the men who had been laid off were still not working. The minister advises that the offer is still open to the C.N.R. to institute such a program but apparently that is where his sense of responsibility toward these men who are now walking the streets of Moncton ends. Incidentally some of them told me they voted for the Progressive Conservative party.

What I and the people of my constituency and people in other C.N.R. points as well want to know is how much money has been set aside by this government for extra work at the C.N.R. shops in Moncton and how much has been set aside for additional work at other points on the C.N.R.? I want to know if this situation is going to be corrected or if that is as far as the minister intends to go.

The minister made an interesting statement which is reported in the August 21 issue of the Moncton *Times*. He said:

"As far as the federal government is concerned, I feel we have done our part."

I do not for one moment believe that the federal government has done its part and it will not have done it until these men are again working in the C.N.R. shops. As the minister said on a previous occasion, the layoff is unnecessary and deplorable and should be remedied by the creation of additional employment in the Moncton shops.

He told us before that the layoff was caused by work being shifted to Montreal. I want to know whether that has any effect on the present layoff. Is that what is happening now? Is work being shifted to Montreal? Besides those men who are laid off from the Canadian National Railways, which is making our unemployment situation worse and worse because there are twice as many people unemployed in the province of New Brunswick now as there were a year ago, there are the former employees of the Canadian government railways and C.N.R. who are on very small pensions.

On May 6, 1957, the former leader of the opposition visited Moncton. I hold in my hand a clipping from the Moncton *Times* in which the present Prime Minister promised a reconsideration of the Canadian National Railway pension schemes which he claimed were "totally inadequate". The Minister of Transport, in an answer to my question concerning these pensions, gave me the old "due course" answer; when there was anything to announce that he would do it in due course. Well there are not too many pensioners of the old government railway in Moncton; there are several Canadian National Railways pensioners and in due course they are all going to die. I want to know from the minister what action is going to be taken to assist these aged pensioners of the C.N.R., and whether he believes, as his leader does, that these pensions are wholly inadequate.

I have taken up this time to put this on the record because I find there is a great deal to be learned from new cabinet ministers. They are not the same people that they were when they were private members sitting on this side of the house. They are now very concerned with following the rules and that questions must go on the order paper. They disregard your questions by suggesting that

you put them on the order paper. This is a practice that I can well remember was not carried out by the new Minister of Transport when he was a private member.

These matters concern money and the voting of money and I would like the answers some time before this motion is passed. How much money has been allotted to the Canadian National Railways for extra work at C.N.R. points? What is the authority for granting this money? I should like also to know how much money has been set aside to look after these—to use the words of the Prime Minister—wholly inadequate pensions of the former Canadian National Railways employees? I know the minister will not repudiate his statement of 1954 and I urge that answers be given and that he tell us what is being done to assist these men in Moncton and in other centres.

Mr. Zaplitny: Mr. Chairman, there is a matter which I wish to raise at this time. It has considerable urgency or else I would not be taking up the time of the committee in raising it. It is also a very practical matter. I assure the committee that there will be no sound and fury connected with this. It is a modest request which I think the Minister of Finance will appreciate very well, and which I am sure his colleagues will be willing to go along with at the earliest possible opportunity.

Hon. members will recall in previous sessions the question of aid to municipalities, so far as this parliament grants aid, has been brought up on a number of occasions. One particular field in which this government could help many municipalities at this time would be in making available funds for capital outlay which today is costing the average municipality a large amount of money. I think it is commonly known that the issuing of debentures for capital expenditures is becoming more and more expensive. Because of the increase in the cost of such debentures and the discounts which the municipalities have to offer at this time the problem is becoming of very serious concern to municipalities right across the country.

The former member for Okanagan Boundary on many occasions raised the question of reactivating, or making use of the Municipal Improvements Assistance Act, which was placed on the statutes in 1938 and which has a provision under which the Minister of Finance, with the consent of the government, may advance moneys to municipalities at 2 per cent for self-liquidating projects. We know that this act has not been used for a number of years. The standard reply, whenever the hon. member, and others to whom I shall refer in a moment, asked the government to put the provisions of this act back into practice was that this was designed primarily as a relief measure during the days of unemployment, and that it was not considered desirable to use the act in recent years.

From that point of view alone, considering the speech we have just heard from the hon. member for Westmorland, and from hon. members who have spoken in the last day or two, it would appear that the situation now calls for a re-appraisal of this act. Perhaps the unemployment situation alone would warrant the use of this act, but there is a more important reason than merely the unemployment situation, namely the financial position in which the municipalities find themselves.

I do not need to weary the committee with many statistics. All we need to do is to look through the accounts of the municipalities of Canada and we shall find that they are going into debt. Not only that, they are finding it increasingly difficult, even at an enhanced interest rate, to sell their debentures unless they offer them at a considerable discount. The result of that is that many very desirable projects either are being postponed or delayed by the municipalities because of the cost of money during these inflationary times. The cost of materials and labour is high. The cost of raising capital, in addition to other costs, is becoming prohibitive. If the government were to reactivate this act, put it into effect and make use of it, I feel sure that they could make a very substantial saving for the municipalities right across this country.

I have hope that the government will do this because looking back through the record I find that not only did the former member for Okanagan Boundary champion this cause in the house very ably but to his assistance came various other members of the opposition, including the then official opposition. The hon. member for Greenwood spoke on this question as late as the 21st of February of this year and in order to show how strongly the Progressive Conservative party was behind the idea of granting some assistance to municipalities he put on the record an amendment that had been moved by the former leader of the Progressive Conservative party, Mr. Drew, on April 30, 1956. I should like to quote that part of the amendment dealing with the question of aid to municipalities. It can be found at page 1510 of *Hansard* of February 21, 1957 and is in these words:

> This house is of the opinion that immediate consideration should be given to measures to assist the municipalities of Canada to meet their mounting financial problems . . .

That is not the end of the amendment but I stop there because that is the part having

to do with the matter I am now discussing. I draw to the attention of the government the fact that that amendment was moved on April 30, 1956, and the speeches which followed indicated that the problem was immediate and urgent at that time. A considerable length of time, approximately a year and a half, has elapsed and the problem has become more urgent and more immediate. I think that the government should now be prepared to make use of that act to help to alleviate the situation.

I should also like to mention that later the same day the hon. member for Vancouver East made a very strong plea for the use of this legislation in order to help municipalities to obtain capital funds at a reasonable cost. Referring again to the record, we find that on the 21st of February the hon. member for Okanagan Boundary once more made his plea, and as we go through the record we find that even as late as March of this year all three parties then in opposition were advocating strongly that the act should be used for that purpose. I do not wish to take the time to find the references but members of the Social Credit party also took the same position.

In view of what had taken place I wrote to the Minister of Finance about this matter on September 30 this year and in that letter I brought to his attention by way of reminder the demands that had been made by the three parties in opposition which, incidentally, now control a majority of the house and are in a position to carry out the things which they advocate. I asked him if he would be prepared to recommend to the government at the earliest possible opportunity that the act be put back into operation. I received a reply from the minister on the 5th of October, and I will only quote that part of the letter having to do with this matter. It is in these words:

> I have carefully noted your suggestions concerning the revived use of the Municipal Improvements Assistance Act. This subject has been given some consideration. I know that you realize that the concurrence of the provincial government in each case is required with respect to every project under the terms of that legislation.

That is the end of the letter so far as this question is concerned. I am going to make particular reference to the last part of the minister's reply where he points out that in each case the concurrence of the province is required with regard to funds advanced for a particular project because I would not want the committee or the public to get the impression that the concurrence of the provincial government is required for the purpose of putting the act back into business. That is not the case.

[Mr. Zaplitny.]

All that is required is an order in council by the government. The matter does not even require parliamentary action. The act is now on the statute books. It has been there since 1938 and is still valid legislation. All that would be required would be for the government to pass an order in council proclaiming that the act is available to municipalities requiring such funds. It is only if any municipality then applied for a loan under the act that the provincial government would come into the picture. The way that the government of the province comes into the picture is simply that they have to guarantee to the federal government the loan advanced to the municipality, something which in the natural course of events I feel sure any provincial government would do.

In fact some provincial governments are now doing something similar to what is provided in this act without any participation by the federal government at all. They are doing it on their own. It would be very much easier for them simply to have to guarantee such loans than actually to have to advance the money involved.

That being the case and considering the history of the demands made by the members of the parties then in the opposition I would expect that with the least possible delay and at a very early date the federal government would make such an announcement. If they feel that they would like to consult with the provinces before doing so, I see nothing wrong with that. In fact, that is one reason why I am raising the question at this time. We know that in a reasonably short time there will be a dominion-provincial conference at which this and other related matters will be discussed. That would be a most appropriate and convenient time for the federal government to consult with the provincial premiers as to their readiness to participate in the operation of the act if the federal government should decide to put it into effect.

I do wish to make an earnest plea to the government not to forget the provisions of this act and I do so because of the plight in which municipalities find themselves. I suppose examples could be given by any member of the house. I refer only to those that concern my own constituency, and I happen to know that there are municipalities in my constituency which are finding it very difficult to sell debentures at the interest rate to which they have been accustomed traditionally, and even at the higher interest rate at which such debentures are now being offered they are finding that they have to sell them at a considerable discount.

This means that there is a totally unnecessary drain upon the taxpayers of the particular municipality in providing funds which

are available under federal legislation which the government of recent years has not seen fit to use, but which I hope the present government will be prepared to make use of in view of the attitude they took even as late as February and March of this year.

Mr. Pickersgill: Mr. Chairman, I am rising to say a word or two about the further supplementary estimates, No. 2, the part of the estimates for which I imagine the Minister of Finance takes full responsibility along with his other colleagues even though he seems, in a singular display of lack of collective responsibility, to have dissociated himself from his other colleagues with respect to the earlier estimates. However, my hon. friend, the hon. member for Coast-Capilano, smoked out from the Minister of Finance an admission which we were all interested and, I think, surprised to hear, that after four months in office he had not yet been able to find any savings he could make in the estimates we brought before the house.

Mr. Fleming: I said no such thing.

Mr. Pickersgill: And he hoped that by trying hard for the next six months he would be able to find something somewhere.

Mr. Bell (Carleton): Are you preaching for a call too?

Mr. Pickersgill: Oh, no.

Mr. Fleming: That bears no resemblance whatever to what I said.

Mr. Pickersgill: I am not preaching for a call nor am I preaching. I leave that to the Prime Minister. I, sir, have no pretensions of being a Billy Sunday or even a Billy Graham.

Mr. Bell (Carleton): There is another form of "Billy" though.

Mr. Harkness: You certainly do not have the qualifications.

Mr. Pickersgill: Nor do I pretend to have them. When hon. gentlemen opposite have finished their jeering, perhaps I can, following the example that the Prime Minister gave us yesterday, continue with my remarks, which are serious. When Mr. Harris was minister of finance I was able to persuade him to put into the estimates a sum of some $40 million for the department for which I then had responsibility.

I observe that far from finding any savings to make in that department, the new government has increased the estimates of that department—and has done it entirely on its own responsibility—by practically another $10 million which is a 25 per cent increase. That is, I suppose, as big an increase as there has ever been in the estimates of a peacetime department since confederation.

I had lunch, unlike the Minister of Finance, and therefore I was not able to look up any phony precedents. But I should be greatly surprised if halfway through a year, the estimates of a civil department in peacetime ever before had to be increased by 25 per cent. No doubt that was because Mr. Harris was so very thrifty and I was so very willing to go along with him.

Mr. Fulton: It might be bad estimating.

Mr. Pickersgill: It was not bad estimating on the high side, as I think the acting minister will be obliged to admit, because he must take the responsibility for asking for this amount of money, namely nearly $10 million. I would not be greatly surprised if the minister asked for more and, like Oliver Twist, got treated by the Minister of Finance in the way in which Oliver Twist was treated, this Minister of Finance who is trying to give the public the impression that he is the same kind of overseer as there was in Oliver Twist, but who is not making much of a job of it.

I should not be at all surprised if the Acting Minister of Citizenship and Immigration, for whose abilities I must confess I have more respect than I have for those of most of the other occupants of the treasury benches and for whose abilities the Prime Minister evidently has more respect than he has for those of most of his colleagues because he has given him two extremely heavy portfolios to carry, has good and adequate reasons for all these increases.

I am not rising with any suggestion that they should be opposed, at least until I have heard the explanation of them. I am rising for another reason. A good deal has been said since the election about the subject of immigration and something was said about it before the election. What was said before the election, by hon. gentlemen opposite, is so different from the things they have been saying since the election that I feel that before this large sum of money is voted we should be given some kind of explanation of this light which they saw, not on the road to Damascus but on the road to office, which seems to have changed so completely the kind of opinions they expressed before the election.

The Prime Minister made a speech to an organization which we all know and which I certainly respect greatly. This organization has done a great deal to help in making better Canadians of the newcomers who have come to our country to become citizens. I refer to the Ethnic Press Association. The Prime Minister made a speech to them which is

reported in the *Globe and Mail* which at that time was an almost slavish organ of hon. gentlemen opposite. I understand the *Globe and Mail* now sometimes criticize them but at that time it did not do so. I would presume that the Prime Minister and his colleagues would be quite satisfied with the *Globe and Mail* report. It appeared on April 27 of this year and states as follows:

At his first stop of the day—

That refers to the present Prime Minister.

—a conference with the Ethnic Press Association in Toronto—Mr. Diefenbaker filled in the detail of one aspect of that program.

I may say that the previous part of the report refers to his program generally.

Development, he told the editors of foreign language publications, demands manpower. The only way to meet the needs for skill and talents is through accelerated—

And I emphasize that word "accelerated".

—immigration.

Mind you, this was in April of this year.

A government formed by the Conservatives, he added, will undertake an intensive immigration policy that will make available to all sections of the country those talents and skills.

The Conservatives, he continued, will end the arbitrary and unjust interpretation of immigration regulations which have been a feature of Liberal immigration policy and which have constituted a denial and vote of immigration legislation.

I think there must be a misprint of some kind there.

The only limit on immigration—

And this is the part I should particularly like to draw to the attention of hon. gentlemen opposite.

—should be the capacity of Canada to absorb newcomers into her economic life.

That, I may say, is straight Liberal doctrine taken from Mr. Mackenzie King's statement in this house on May 1, 1947, a statement about immigration policy that has worn very well and one that I think the present government will find it fairly hard to depart from without getting themselves into serious trouble.

Australia's forward-looking immigration policy,—

In those days the Prime Minister was perhaps a greater admirer of Australia than he was after he came back from London.

—Mr. Diefenbaker emphasized, has produced the conclusion that it can absorb just under four per cent a year of its total population.

Such a yardstick applied to Canada would establish the target of 640,000 immigrants a year, or more than four times the number that came to Canada in 1956.

I leave hon. members to form their own estimate as to why this speech was made to the Ethnic Press Association instead of, for example, being made to the Loyal Orange Association. However, it was a fairly definite statement that the Prime Minister intended to increase immigration by two or three times what we were achieving in the year 1957, which is, or will turn out to have been, the greatest year for immigration since 1913. Of course I regard the figure of 640,000 as being a completely fantastic figure for any one year. However that is the figure the Prime Minister used, presumably when he was appealing to the people to vote for him to carry out his policies, and presumably he meant what he said. Of course, if he did not mean what he said, those of us on this side of the house would think that he should not have said it.

But what do we find? The first thing this government did, the very first action they took to change anything after they came into office, was to restrict the existing immigration. Far from accelerating it or intensifying it, they restricted it severely and handled it in such a ham-handed fashion, if I may use that expression, that the officials of the department for days afterwards were obliged to explain what the minister had meant by the original statement he issued.

Those of us who have had some experience in this field know that after the efforts that had been made by Mr. Harris, myself and the officials of the department under our direction for a good many years to build up a service in the United Kingdom, we were really getting a response this year and were getting the best class of immigrants that we have obtained for years from the United Kingdom. This whole movement had cold water poured on it by the hon. gentleman who was giving his spare time to the immigration department while he was learning how to be Minister of Justice evidently because his colleague the hon. member for Three Rivers was not considered to be worthy of occupying the post of Minister of Justice.

Some hon. Members: Oh, oh.

Mr. Pickersgill: There may be another explanation, but that is one the press gave.

Mr. Fleming: Pretty mean!

Mr. Pickersgill: In any event, whatever the reason the Prime Minister may have had for giving no departmental responsibilities to the hon. member for Three Rivers, the hon. member for St. John's West or the hon. member for Greenwood and giving two portfolios to the hon. member for Kamloops, I do not know it.

An hon. Member: And you will probably never find out.

Mr. Pickersgill: Perhaps, but I do know that there are probably very few members on either side of the house who will accuse me

of being indolent in the performance of my duties when I occupied the office of Minister of Citizenship and Immigration.

An hon. Member: Not indolent but ineffective.

Mr. Pickersgill: Well, of course, I think the proof of the pudding is probably in the eating. Yes, I was ineffective. I was ineffective because I encouraged immigration, but the hon. gentleman is effective, yes, in stopping it.

Now it has always been the policy of the Liberal party, and it still is our policy, that we should not encourage people to come to this country to be unemployed. I would not for a moment advocate an immigration policy which was going to bring more people into Canada than could be absorbed and be absorbed fairly readily and quickly into the economy. That was our policy and it was one which proved pretty successful over the past 10 years when we had a greater growth in our population than in any previous period in our history. It may be that it was wise in all the circumstances to give careful consideration—as I had planned to give had I remained in office—to what should be the course to be taken later in the year.

Mr. Fulton: You had already decided to restrict immigration and issued instructions on April 12.

Mr. Pickersgill: That statement, Mr. Chairman, is not in any proper sense of the word correct.

Mr. Fulton: It is absolutely correct and I have the departmental papers in front of me to prove it.

Mr. Pickersgill: I may say that I did ask the officials of the department to make a very careful study of what should be done after the election. I made no final decision except with respect to certain arrangements that had been made with regard to transportation and certain other technical arrangements which it had begun to appear to me would not be necessary. I did consider, however, that later in the year—and this has happened of course every year—it would be desirable to discourage persons coming into Canada to seek employment. It has been our experience in every year but one since the war that it was not wise to encourage people who were coming here to look for employment to come in the later months of the year.

Mr. Fulton: May I ask the hon. gentleman a question?

Mr. Pickersgill: Certainly.

Mr. Fulton: If the hon. gentleman says no decision was reached before the time he relinguished office, how is it that a memorandum was issued to officers overseas on April 12, 1957 instructing them not to make visas valid after July 31, 1957, and I include in this question the question of the shortage of employment, which is the point the hon. member is making.

Mr. Pickersgill: Yes, I can answer that with the greatest of ease. I think perhaps this may be a very dangerous confession to make in this chamber but perhaps I was not so optimistic of my chances of remaining in office as some of the hon. gentlemen opposite were of the chances of the Liberal party remaining in office. I tried in the period from the time of dissolution of parliament on not to commit myself or the government to any course which I was not quite sure I would have the responsibility to carry out.

However, I had a second reason for doing this. It was perfectly apparent in the middle of April that the number of immigrants who were coming this year—particularly from the United Kingdom—was so great that before the end of July, it seemed to me, it would be necessary to take another look at the numbers involved. This instruction that no valid visas for open placement were to be issued after July 31, 1957 was simply a precautionary measure which any prudent minister should have taken and which, it happens, I did take.

Mr. Fulton: That was the decision to which I referred.

Mr. Pickersgill: When the minister first made his statement he did not try to blame it on me or on the Liberal government but, when the Tory newspaper began to criticize him—

Mr. Fulton: No, no.

Mr. Pickersgill:—then he went about the country saying that all he had done was what we had decided to do before he took office. I had thought better of him than that. I had thought that the hon. gentleman could stand on his own feet and take the punishment for his own acts and not try to shift responsibility onto others.

No, the fact of the matter is that after the election I made only one decision which was not purely on a day to day matter. In the interval between June 10 and the day I relinquished my portfolio I made a decision to continue the airlift to Vienna until July 31. The contract expired on June 30 and I thought it only fair, right and proper to give my successor a reasonable opportunity to decide what policy he wished to follow with respect

to the Hungarian refugees. I had to make up my mind whether to extend that contract for another month and I thought, "Now, if I were coming into office what would I consider the fair and decent thing to do?" It seemed to me it was to give a reasonable time for a decision to be made. I therefore extended the contract until July 31. What is more, and I am sure my hon. friend will corroborate me, I telephoned him and told him what I had done and I said I thought I ought to bring this matter to his attention because there was a question of policy involved.

Mr. Fulton: Correct.

Mr. Pickersgill: I felt he was entitled to have time to consider what policy he would adopt. Perhaps that is not the way party politicians should behave but I think it was the proper way, if I may borrow a word from the Minister of Finance, for gentlemen to behave.

I come to another aspect of the immigration policy which I must say shocked me even more and I think it shocked a great many Canadians even more than this matter to which I have referred. There are some of us who have the most vivid recollections of those days at the end of October and the beginning of November last when the world situation was even more tense than it is today and when one part of the soviet world was in flames and the Russians, with a brutality that some of us have not yet forgotten, came and crushed a people seeking to be free when a quarter of a million human beings had to flee from their country with nothing but the clothes they were wearing.

At that time the present Minister of Justice, the Acting Minister of Citizenship and Immigration, made a statement which is reported in the Ottawa *Journal* of November 6, a statement which I think I should read:

> Davie Fulton proposed Monday that Canada give unrestricted asylum to Hungarian refugees fleeing from Soviet butchery.
>
> The Conservative member for Kamloops, B.C., candidate for the national Conservative leadership,—

That is in the story; I would not have brought it up otherwise.

> —said this was the least Canada could do.

Mr. Hees: You are making a pitch, are you Jack?

Mr. Pickersgill: I wish the hon. member for Broadview would answer the questions that are directed to him by other members of the house instead of interrupting those who as private members are making their maiden speeches.

Mr. Hees: Is this your maiden speech? It is an awful poor one.

[Mr. Pickersgill.]

Mr. Pickersgill: My hon. friend from Essex East says that the Minister of Finance has instructed the Minister of Transport not to reply to the questions asked him. This is my maiden speech as a private member in opposition, and if I am behaving too responsibly I can only apologize to the house.

An hon. Member: You are shivering.

Mr. Pickersgill: I am very nervous, I admit, and perhaps it is rather unwise for a novice to advertise an experienced politician like the hon. member for Kamloops as I am doing, but I still think we ought to have on record in *Hansard* these words from the article in the Ottawa *Journal* on November 6, because they have a bearing upon what that hon. member did later.

> An offer of immediate asylum by Canada would, I believe spur other free nations to similar action, he added in a statement released in Ottawa and at Kamloops.
>
> We are all in full accord with the resolution of the United Nations assembly condemning this latest butchery on the part of the soviet. But it is essential that the free nations do something to prove to those who risk their lives for freedom that their efforts are supported by more than the passing of resolutions.
>
> I believe Canada should offer immediate and unrestricted asylum to all those Hungarians whose efforts in the cause of liberty now force them to flee as homeless refugees. They were in fact fighting our battle, too.

This is pretty eloquent language. I continue to quote the brief statement:

> There is little enough we can do to assist by direct intervention and the task of those trying to liberate their countries from the iron yoke of communism must be almost beyond bearing when they see how remote are the prospects of immediate help.

Just let me repeat one sentence of those I have just read:

> I believe Canada should offer immediate and unrestricted asylum to all those Hungarians whose efforts in the cause of liberty now force them to flee as homeless refugees.

That was said by the same gentleman whose first act as a minister of the crown which was not a purely routine act slammed the door in the faces of these Hungarian refugees.

Mr. Cameron: Mr. Chairman, it is with a certain diffidence that I enter this discussion which to a large extent appears to be in the nature of a family quarrel between the ardent supporters of the government on the other side of the house and their no less determined supporters sitting on this side. And I am sure we who belong to the only opposition party will be forgiven if we derive a certain sardonic amusement from watching the embarrassments of the late administration. The first thing they should remember is

that like the ancient mariner in Coleridge's poem they always have the albatross of their past misdeeds hanging around their necks.

However governments come and go but our constituents still have a number of urgent problems, and it is some of these urgent problems which affect my constituents that I wish to bring up now.

I was very pleased when I saw that one of the cabinet offices had been filled by a friend from British Columbia in the person of the Minister of Public Works. The matter I want to discuss comes within his department and it is a matter whose importance we have always had great difficulty in impressing on previous holders of that office. I refer to the very serious situation that now exists on the Pacific coast with regard to the provision of small boat harbours on Vancouver island and the adjacent mainland. I have a suspicion that previous ministers, not being fortunate enough to come from the Pacific coast, tend to look at the map and to see a very serrated coastline and to imagine that there must be unlimited numbers of safe harbours in the region. However anyone who is familiar with the situation knows that this is not the case and that the number of harbours in which small boats can tie up in safety in all weathers is extremely limited.

The problem is becoming very acute because of a new development—one which I presume is taking place on the Atlantic coast, too—namely the tremendous expansion of small boat ownership. There are places in British Columbia where small harbours are literally carpeted from side to side with boats, and there are innumerable small boats which are unable to find safe anchorage at all; indeed, some of my neighbours are obliged to haul their boats up by tracks to safety rather than leave them at anchorage in the event of the mildest of storms.

I would urge the new Minister of Public Works to have a very comprehensive survey made with regard to the need of the people of the Pacific coast for a large extension of small boat harbours, and to do so in connection with what I believe is the projected plan of the provincial government for the development of marine harbours. Here, I think, is a sphere in which the Department of Public Works should take the initiative more vigorously than it has done in the past.

There is another matter I wish to deal with, one that I have already taken up with two of the incoming ministers. It is a question I took up two years ago with the then minister of labour, and that is the employment of Canadian welders on the new pipe line project now going on throughout the country. I made particular reference to the fact that in British Columbia two years ago I had received complaints that Canadian welders were not being given employment on these pipe line jobs. In most instances the contractors in charge of construction are United States firms, and in many instances the companies for which they are operating the pipe lines are controlled by United States capital. I received numerous complaints that it is virtually impossible for Canadian welders to get employment.

I brought this up in the House of Commons and asked the then minister of labour to investigate the matter. He did so, and gave me a reassuring answer that the only United States personnel being admitted to the country to work on these pipe lines were a limited number of supervisory personnel. Later, I received still more complaints, very well substantiated, and these I investigated as fully as I was able. I interviewed those in charge of the technical school in Nanaimo, I interviewed the graduates at that school, and some men who were personally known to me as having worked on engineering projects. Everywhere I found the same story and it was to my mind a shocking story.

It was brought extremely forcibly to my attention during the election campaign when I was speaking at one of the large construction job sites in my constituency. The first man I encountered was one with whom I had worked four or five years previous in the shipyards at Victoria. When I knew him he was a highly skilled welder and in addition to that he took extra courses to familiarize himself with the specific job of pipe-line welding. He told me that the first job he went on required the service of 24 welders of whom 23 were American citizens and that the company and the 23 American welders made life so miserable for him that he quit within six weeks. This story was repeated to me over and over again by responsible people.

I wrote to the Minister of Labour and to the Acting Minister of Citizenship and Immigration and I have no complaint whatever with regard to the replies I received from those two gentlemen. I have no suggestion whatever that their replies were anything but perfectly sincere replies. I feel, however, that they were grossly misinformed, otherwise they would not have been able to write me in the reassuring terms in which they did.

I found for instance that the union which has the certified bargaining rights for these jobs in British Columbia is called on to supply welders. They do supply welders

and within about three weeks these men are eased off the job and the company concerned applies to the Department of Citizenship and Immigration advising that there are no more available welders, they having exhausted the supply from the union, and then welders from the United States are permitted to enter and this is done under somewhat dubious classifications. In fact they invented a new classification of a pipe-line specialist which does not explain exactly what they are a specialist in.

I suggest to both the Minister of Labour and the Minister of Citizenship and Immigration that they should have a much more thorough investigation made of the situation before next spring when work is going to open up again on these projects. I think everyone knows that at that time we are going to be facing a rather high level of unemployment and there is going to be gross unrest if this same situation continues as has obtained in the past.

I would also suggest to the Minister of Citizenship and Immigration that he should consider some revision of our immigration relationships with the United States because no Canadian can go down to the United States and obtain work on projects of that nature in the way in which citizens of that country have been able to enter Canada.

Many of them, I might add, come into Canada deliberately under false pretences and make no bones about it. In fact, some of them boast of it. Some of them boast of coming to Canada pretending to come in as landed immigrants to be settlers and then they jeer and say, "The only reason we came here is to skim the cream off and we are going back to the United States when this is done". Such things are happening and I suggest that this new government had better twist the arm of some of their officials in order to obtain a more realistic report than they have had in the past.

There is one other matter with which I want to deal and it is a subject of wider importance than the two I have already discussed. I note that in the measure before us we are to vote one-twelfth of the estimates for the Department of National Defence which will mean if my arithmetic is approximately correct the sum of $145 million. I am, of course, quite ready to admit it may be very difficult at this particular time to suddenly terminate certain projects that have been undertaken but I do hope that some time before this session ends we shall have from the Minister of National Defence an indication that he and his officials are making a realistic survey of

Canada's defence position in light of the new technological achievements of which there has been so much publicity in recent weeks.

I was particularly pleased when I heard the Minister of National Defence, as reported at page 38 of yesterday's *Hansard*, say these words:

> I am confident that the militia—
>
> In its new role of civil defence—
>
> —will render the same patriotic service in this role as it has always done, rather than seeking some phony, glamorous role which hardly exists.

I submit that only a gentleman with the impeccable military record of the Minister of National Defence perhaps would dare to make such a statement but I heartily applaud him for having done so and I trust he will apply the same rather brutal realism to some other aspects of our armed forces in light of the developments that have taken place.

I think there is very little doubt that it would be quite difficult for the minister or his colleagues to justify from the point of view of actual real defence the expenditure of the $145 million we have been asked to provide today. As I said at the beginning, I can appreciate the difficulties at this time of suddenly chopping things off but I do hope that the new minister is going to be as courageous as I know he can be and face this matter courageously and tell the Canadian people exactly where they stand in the age of the spudnik.

Mr. Bryce: Mr. Chairman, I wish to bring to the attention of the new government some of the problems that exist under the Disabled Persons Act. This act has never worked satisfactorily. In my estimation a disabled person is a person who cannot earn his livelihood. People in various provinces who have applied for the disability pension have been denied it because they are not confined to bed or because they are able to dress themselves or for some other reason. I want the new government to do something about this problem.

I believe I have been in every province in Canada and when travelling I always make inquiries concerning the administration of this act. I have learned that in some places the disability pension can be obtained easily and the doctors who examine the applicants are humane. On the other hand it is denied to applicants in other provinces.

I appeal to the appropriate minister to do something about the situation. I appealed to the former minister to call a conference of the doctors involved in the administration of the act across the dominion with a view

to obtaining agreement between them as to who should be awarded the disability pension. I know people in my own constituency who are unable to earn their bread and butter and who are unable to draw a pension under the act.

I also wish to draw to the attention of the government the fact that in the Red river valley we are having trouble getting our boats out to the lake. This is a matter which requires immediate attention because the men in Selkirk and in various towns around the lake depend on the boats bringing in the fish for their livelihood. I appeal to the Minister of Public Works to do something about this very soon.

We will have to have a survey at the end of the lake. Perhaps if the department investigates the situation it will be decided that a better outlet could be provided. There are quite a few outlets at the mouth of the river and perhaps it would be desirable to open up a new one to prevent the boats being held up for eight or nine hours when entering with a load of fish.

I am not going to take up the time of the committee in speaking at length and I have no wish to delay the rest of the debate. However, I am not going to say I do not want results from my plea because I do want results, if you please.

Mr. Nicholson: Mr. Chairman, I wonder if I could have the ear of the Minister of Public Works for a moment in his capacity as Acting Prime Minister and, I presume, Acting Secretary of State for External Affairs. I am not sure whether the minister was in the house this morning when the hon. member for Vancouver-Kingsway made his excellent maiden speech in which he urged the Prime Minister to give careful consideration to the question of recognizing the government of the mainland of China.

The hon. member for Vancouver-Kingsway indicated that he expected Vancouver to become the principal city in Canada some day, and if we would face up to the potential trade with the vast area of the world that is close to Canada it would establish the right of the city of Vancouver to become one of the largest Canadian cities. Because of the situation of our trade position today and because of the large number of people in China who are potential customers the government of Canada might follow the pattern of the British government rather than the pattern of Washington and try to promote trade with China.

As the hon. member for Vancouver-Kingsway pointed out, the recognition of the government of China does not mean the approval of what has happened in that country. I think the time has come now, because of the large volume of commodities that are piling up in Canada, when we should explore potential trade with China. I wonder whether the Acting Prime Minister would give some indication that his government are prepared to change the attitude of the previous government of Canada on this important question.

Mr. McMillan: Mr. Chairman, I have always been interested in national hospital insurance. I am sure that most of the people of Canada are greatly interested in this matter, and particularly those connected with hospitals. I would respectfully ask the Minister of Finance, or the Minister of National Health and Welfare to answer some of the questions that were asked in the debate today.

Mr. Herridge: It was not my intention to speak again in this debate but I am moved to do so by the matter which was brought before the committee by the hon. member for Nanaimo. I heartily support his remarks with respect to the immigration of certain United States workers into Canada, because the same situation has existed in southeastern British Columbia in the building of the pipe line, which the hon. member so ably described. I have had a number of cases brought to my attention where these men freely admitted to fellow workers that they came in as landed immigrants and our immigration officials knew nothing about it. They work on the pipe line until it is completed and return to the United States. In addition to that, there are others coming in as visitors. I know our immigration officials are doing the very best they can in the circumstances but certainly some amendment to the regulations is required in order to correct the situation.

The immigration officials in the ports in British Columbia are keeping a very close watch on this situation. I told them these immigrants were coming from somewhere else and they discovered that quite a number of these chaps were coming in through Coutts, I think it is, in Alberta. Whichever way they come in, it is difficult for the immigration officials to do anything about it when they come in as landed immigrants. I was very interested in a story which one immigration official told me. A Texan came in and he had a gun on each hip. He was told he could not bring his weapons into Canada and he said he had never been separated from his shooting irons at any time in his life before. Anyway he was persuaded to leave them on the desk in the immigration office and the immigration officer had a peek through the barrels and found that both of them were plugged with rust. This is a sample of the importance of the attitude of mind in understanding Canadian procedures. I do urge that an amendment be considered.

I might say that in southeastern British Columbia the company refuses to have anything to do with the national employment service. They hire at the shed door every morning. They like to line up the workers for jobs, and they go down the line and say, "You, you and you", and so on. If they had co-operated with the national employment service it might have been of some assistance on keeping a check on who was employed and who was not.

I rose to bring this to the attention of the ministers concerned. I also thank the Minister of Citizenship and Immigration for writing me fully, as he did. I am quite sure, as the hon. member for Nanaimo said, he wrote according to the information he had in hand.

Mr. Barnett: Mr. Chairman, in an exchange during the question period the Minister of Public Works attempted to point with some pride to the new low-cost housing money which is being made available. However, I should like to suggest that the effectiveness or otherwise of the proposal to which some publicity was given in the papers not so long ago, depends on how is it working out in individual cases. I hold in my hand a report which I have received as an example of just how the so-called low-cost housing proposal, as it has existed up to now, is working out in many instances. I feel that it might be valuable, while we are considering this interim supply motion, to pass on this information to the minister and to the committee.

This report comes from a couple who are interested in the proposals as they read them in the newspapers. They report that they have been busy investigating, as they hoped it would be of help to them and many people in their category to get a start on owning their own home instead of paying out high rent which has no ceiling, as they say, in British Columbia. This is their report of their actual experience and what happened. They said:

> First, my husband went to a bank for information which was not available from the manager as he said he knew no more than what was in the papers.

Then the wife went one day to the manager with some other questions and was informed that they would have to see the Central Mortgage and Housing office in Nanaimo, which is the nearest office to them. Her husband took a day off from work and they went to Nanaimo to find out about it. This resulted in the fact that they found the manager and his assistant both away from the office. There may have been a legitimate reason for that. They were able to get some little information from the stenographers in the office on the rules and regulations. The next day they telephoned the manager in charge and were told that they would have to go and see the bank. They went to the bank and by that time the manager apparently was able to tell them what they could do and what they could not do and, as they comment, it was mostly what they could not do. This woman goes on to explain that her husband has a good job at a wage of approximately $2.00 an hour but they could not qualify because the wages would not come within the specifications required. I think this is important if one is going to think in terms of low-cost housing, because certainly to many of the citizens in many parts of Canada $2.00 an hour is not considered to be a low wage.

Following that, they went to see a contractor. He told them that a house with a thousand square feet of floor space and two bedrooms would cost between $13,000 and $14,000 and possibly more, if they had to follow the specifications laid down by Central Mortgage and Housing Corporation. They go on to say that they cannot see how that kind of price can apply to people in their income category. They go on to explain that apparently they would need at least $4,000 to put into the project before the Central Mortgage and Housing Corporation provision could come into effect. As they explain, if they had $4,000 they would not need to go to Central Mortgage and Housing Corporation because they could easily use that $4,000 as a down payment on an older type of house and pay off the remainder on the basis of monthly rental payments.

They go on to say that they want something they can handle, that they need to have a two-bedroom house because the father of one of the couples who is an old age pensioner lives with them. They are anxious to get away from the never-ending payment of high rent which is, as we all realize, money down the drain as far as the position of these people is concerned.

I put this little story before the committee because it is an actual instance of the need and desire of a couple receiving what I imagine the minister would agree is not a low wage to be able to take advantage of the so-called new low-cost housing money that he mentioned was being made available when he answered a question the other day. I submit that if the experience this couple has had in attempting to secure information and in finding how far the proposal actually goes when it is translated into an individual request is an example of what the proposal means, then certainly we should be looking for something much better before the minister has any right to suggest that he has

made any major change as far as availability of low-cost housing money is concerned.

Mr. Green: Mr. Chairman, I shall be very glad to have the officers of Central Mortgage and Housing Corporation investigate this particular case but it happens that I have received a statement from the president this afternoon which reads:

The fifth week of operations under the agency arrangement was highlighted by a record volume of approvals and indications that both British Columbia and the maritimes are now taking fuller advantage of the facilities afforded.

This has only been in effect for five weeks.

The value of loans processed during the week—

That is, the fifth week.

—was in excess of $13,500,000 for 1,396 units. This brings the total for the period September 9 to October 11 to more than $34,100,000 for 3,440 units.

I point out to the hon. member for Comox-Alberni that works out to an average loan of less than $10,000.

In addition, there still appears to be a potential of approximately $67,500,000, which comprises requests for loan amount or requests for approval in our offices, or applications still in the hands of approved lenders.

That would indicate that already the total is likely to be over $100 million, which I regard as a very satisfactory showing in view of the short time the plan has been in effect.

Mr. Barnett: The statement made by the minister is quite an interesting one. Certainly it shows that some advantage is being taken of the plan. But I notice that no reference is made in the statement, nor have I seen any direct references in the press—there may have been some which escaped my notice—at what sort of income level the money is available. The question arises in my mind whether the money is going to people who are in a financial position far above the particular people I mentioned whose income is at an average level of $2 an hour. As I understand the announcement made by the minister before the house opened, the purpose of the new proposal was to make money available to people in the lower income categories who had not been able to take advantage of the provisions put into operation by the previous administration.

Mr. Green: That is correct.

Mr. Barnett: I should like the minister to give us some indication of how far down the scale of annual or hourly income this money is being applied in the case of the applications now being approved. If in fact the proposal is making it easier for people in the lower income brackets to secure their own houses, I am certainly glad to see it, but the information that has come to me is very similar to the kind of complaint I heard about the availability of housing money under the previous administration.

Mr. Green: I believe the plan has brought about a big reduction in the income level. I admit it would be much better if we could get it even lower. We are getting it down just as low as we can and it certainly has been reduced a great deal over what it was earlier in the year.

Some hon. Members: Question.

The Chairman: Shall the resolution carry?

Mr. Fleming: Mr. Chairman, I should like a standing vote taken.

Motion (Mr. Fleming) agreed to: Yeas, 147; nays, 0.

Resolution reported and concurred in.

WAYS AND MEANS

INTERIM SUPPLY

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. Courtemanche in the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Fleming moved:

Resolved, that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1958, the sum of $305,222,335.25 be granted out of the consolidated revenue fund of Canada, as set forth in the resolution concurred in this day in the committee of supply.

The Chairman: Shall the resolution carry?

Mr. Knowles (Winnipeg North Centre): As this resolution is in effect a companion one to the resolution that was passed just before the recess, I would suggest to the Minister of Finance and some of his colleagues that it gives them an opportunity to answer some of the questions that were put to them from this side of the house today and which have not yet been answered. Perhaps I might draw the attention of the Minister of Finance to some of those questions but before I do so I should like to offer this comment.

It is interesting to us on this side of the house who in the last session supported the estimates that were placed before parliament

to note that hon. members on the government side who were critical of those estimates are now in support of them. I wondered a bit why the Minister of Finance was so anxious to call votes on this measure. He now is prepared to vote for every stage of this resolution. That makes one wonder what he meant the other day when he said that there were some of these estimates that the government was not prepared to support. It looks as though the action today supersedes that announcement and we now know that the government is in support of the estimates that are before the house.

I should like to draw the attention of the minister and of his colleague the Minister of National Health and Welfare to the fact that no answer has been given to the questions that were asked earlier today by the hon. member for Essex East and also by the hon. member for Welland, if not by other members as well. It seems to me that when we are being asked to vote a portion of the moneys asked for by the Department of National Health and Welfare we should have a statement as to what, if anything, this government is doing with regard to the program of hospital insurance.

The other day I was told by the Minister of National Health and Welfare that no agreements have yet been signed. The only information he was able to give was information we had before we left here last April, namely that six provinces had agreed to the plan. I think we should be told whether any effort has been made to get those six provinces to sign an agreement. I think we should also be told whether this government has made any effort to get the other four provinces to enter into the agreement. I feel that he should also tell us whether consideration is being given to broadening the coverage under the plan along the lines which the members of the Progressive Conservative party supported at the last session. After all, this is an extremely important matter, despite the lack of attention paid to it by the Conservatives during the election campaign and despite the absence of reference to it in the speech from the throne.

I noted with interest the one or two statements made by the Minister of National Health and Welfare to the press shortly after he became minister; but so far at this session of parliament we have had nothing but silence from the government side on this question. I think the remarks made by the hon. member for Essex East call for a reply and I hope the Minister of National Health and Welfare will seize upon this opportunity to tell us what is being done with regard to this matter.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Fleming: Mr. Chairman,—

Mr. Knowles (Winnipeg North Centre): Is it not possible for me to get a reply from the minister to whom I directed my question?

Mr. Fleming: Mr. Chairman, in order to set at rest the doubts that have been conjured up in the mind of my hon. friend, may I repeat what I am recorded at page 11 of *Hansard* of October 15 as having said in retabling the existing estimates. I said this:

> Since the programs provided for in these estimates were already well advanced when the new government took office, and to avoid the expenditure of a further $20,000 for revising and reprinting them, retabling the existing estimates is considered to be the most reasonable course of action to take under the circumstances.

The word "and" should be in there before the words "to avoid".

> However, this is not to say that the present government will support all of the detailed programs contemplated when those estimates were originally prepared. Rather, such changes as this government proposes to make in the current year programs will be brought to parliament's attention when the individual items affected are being considered by the committee of supply.

Every hon. member knows that one of the important tasks that confront this session of parliament is the voting of supply for the current year. Although there is, in relation to the season of the year, a heavy legislative program otherwise, nevertheless every hon. member knows that we shall require to spend not a little time in the committee of supply reviewing all of these items. At that time there will be a full opportunity for every hon. member to indulge to the full his rights as a member in relation to the voting of final supply.

Mr. Knowles (Winnipeg North Centre): Will the minister vote for all the items then as he did today?

Mr. Bell (Carleton): What did you do?

Mr. Knowles (Winnipeg North Centre): I voted for them just as I did last spring.

Mr. Fleming: The minister will proceed in accordance with the plan indicated in the passage which I have just read from page 11 of *Hansard*.

The Chairman: Shall the resolution carry?

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I am still waiting as, I believe, is my friend the hon. member for Essex East for an answer from the Minister of National Health and Welfare. What is this? Is this a form of closure?

Mr. Fleming: No; go ahead and talk all you wish. Nobody is closing off anything. Go ahead and talk all you like.

The Chairman: Shall the resolution carry?

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, the Minister of National Health and Welfare is not incapable of speaking. He has just as much right to speak as has the Minister of Finance or anyone else. Surely he can take the floor and answer the questions we have put.

Mr. Monteith: Mr. Chairman, if I may just interject a word, may I say this. The former minister of national health and welfare this afternoon prefaced his questions to me by a statement to the effect that if I were not prepared to answer this whole question in detail he would be delighted if I would answer at some time in the future. I trust the hon. member for Winnipeg North Centre will view the whole picture in somewhat the same light. I have not been in office so very long. I am studying the whole matter of hospital insurance in great detail and before too long I hope to be able to make a complete statement.

Mr. Martin (Essex East): In view of what the Minister of National Health and Welfare has said, I think the house would find it desirable to recognize the fact that it can afford to be generous in this particular instance,—

Mr. Monteith: I am not asking for generosity.

Mr. Bell (Carleton): No generosity is needed.

Mr. Martin (Essex East):—not because of what the Minister of Finance has said but because of what the Minister of National Health and Welfare has said just now. I think it is understandable that a man who takes on the heavy responsibility of Minister of National Health and Welfare should have the opportunity, if he finds that he is not in a position to answer in detail, to postpone his answer. I think the significant thing is not so much the reply that we have just received but the fact that it has taken so long in the course of this debate for this observation to have been made.

Mr. Fulton: There is too much nonsense being talked on the other side of the house. That is the main reason why it could not be made before.

Mr. Martin (Essex East): One reason is the attitude of the Minister of Finance who told the Minister of Transport today, who was about to reply, "Do not make a reply; I do not want any replies at this time".

Mr. Bell (Carleton): Why do you not vote against the resolution?

Mr. Martin (Essex East): That is what we should object to in this house and that is what we are objecting to.

There is no objection to the attitude taken by the Minister of National Health and Welfare but one could have expected that answer to have been given much earlier. Let it not be forgotten that the hon. gentleman who looks at me in such comfort and ease—the Minister Finance—has given an example today of the new form of closure which this government is going to impose on parliament.

Mr. Fleming: That is utter rot and nonsense.

Mr. Knowles (Winnipeg North Centre): The member for Essex East can, of course, speak for himself, but it does seem to me that at least some of the questions which were asked today could be answered by the Minister of National Health and Welfare. Surely he knows whether any effort has been made since he assumed his portfolio to have any of the six provinces sign an agreement. That is not a matter for study, that is a matter of fact. Surely he knows whether a master agreement has been prepared; surely he knows whether he has made any effort to get any of the other four provinces to agree. It would seem to me appropriate to have a more elucidating answer than we have had thus far, but if all the minister can do is ask for more time then I suppose we will have to give it to him.

I wonder if the Minister of Finance will permit himself to make a more complete answer to the questions which have been asked about superannuated civil servants. As he knows, when he and his colleagues were on this side of the chamber they were second to none in their insistence that something be done for the retired civil servants whose pensions are in the lower and middle brackets. This applies particularly in the case of the hon. gentleman's colleague in the cabinet, the Minister of Public Works.

We thought last spring that at long last we had made some headway and that we were getting some action on this matter from the former government, in which the Hon. Walter Harris was minister of finance. The last words we had on this subject, which I believe were in answer to the questions of the member for Fort William, gave us hope that something would indeed be done. That government went out of office without dealing with this matter after all. Now when the new government is in power, composed of members who supported the idea that the position of these people should be improved, all we get is the same answer that we got from Mr. Ilsley and Mr. Abbott and Mr. Harris—"The matter is under consideration."

The minister made the statement that the government's intentions regarding other types of pension are referred to in the speech from the throne. Of course, that is part of the answer that the previous government gave. One of the answers given by the government to the Minister of Public Works when he was only the member for Vancouver-Quadra was that since we first started asking for improvements in the position of retired civil servants the universal old age pension had been brought into being and had in fact improved the position of these people. That did not satisfy the Minister of Public Works when he sat on this side of the chamber as member for Vancouver-Quadra. I cannot imagine he is satisfied yet. I believe the kind of representation he was making to the government last year he is still making to the Minister of Finance now that he is in a position where he has a greater influence than he had before.

Here too I do not think the Minister of Finance should impose any closure on himself. I think he should tell us whether the statement he made the other day, in reply to a request from this side that action be taken is just a stock answer or whether we can actually look to the new government to fulfil the implied promise that the lot of these people would be improved. This promise I think was implicit in the stand they took when they were in opposition to the government.

I have not the record before me but figures have been mentioned many times as to the large number of people who are drawing very low pensions despite their faithful service to the federal government. We think now, as the Conservatives thought before, that the government should be a model employer. I hope the Minister of Finance will take this opportunity to speak more fully and more hopefully on this question than he has yet done.

Mr. McCullough: Mr. Chairman, I believe that already in this session we have found that the Minister of Finance is being quite coy with parliament in regard to exactly what the policy of the government is going to be. Coming back to a new session of parliament members are, of course, usually loaded with a lot of problems from their constituencies and indeed most of us are quite anxious to place on record some of these problems. It is not my intention this evening to try to exhaust all the problems confronting my constituents and the people I represent, or indeed the people of Canada, nor to even deal in their entirety with the various matters I intend to bring out. However, I think when the government is coming to parliament and asking for more money with which to carry on its functions there are some things which should be drawn to its attention early in the session.

My constituency of course is mainly agricultural and the problems confronting that industry are foremost in my mind. This afternoon some of my colleagues brought to the attention of the committee certain conditions facing agriculture. Indeed one of the main problems and arguments during election time was just what each party was going to do for that key industry in Canada. I do not want to deal with all these problems now, but I would like to point out to the Minister of Agriculture and to the government that there is a trend in agriculture today that is certainly very alarming. It is not only the poor farmer who is leaving the farm but that some of our finest people are doing likewise. This is not the natural course of events which one might assume would follow increased mechanization of the farms but it is purely and simply the question of the cost-price squeeze in which the farmers are caught. Some of our best returned men, who perhaps have now had 10 years on the farm, are leaving farming completely, finding it impossible to continue.

It is very disturbing to me when I ride through my constituency to find, not one but literally dozens of these young men leaving their farms and giving up in desperation on account of this cost-price squeeze. I hope that this government, in its deliberations and in the legislation it brings before parliament this year, will deal adequately with this problem and not just give us stock answers or partially meet the problem.

One of the things I want to indicate to this government as something I think should be considered because of its inherent dangers is the large amount of financing which we know is required to start a young man in agriculture in western Canada. I suggest that it should be made possible for a young man to go on the farm without equity or other financial backing, but with the help of some kind of government loan at low interest rates so that he can profitably mechanize his farm and operate it efficiently.

Another thing which I would like to mention early in this session is something which we and the government members when they were formerly on this side of the chamber often brought to the attention of the then government. This is the question of veterans' pensions and the eligibility of a war veteran for such pensions. I had occasion to work very hard on one case for some two or

three years to get a pension for a second world war veteran who went into the service as an A-1 man and came out in the lowest category. The board said he was not eligible for a pension.

I hope I can convince the Minister of Veterans Affairs that he should prevent this type of thing happening in Canada and ensure that a veteran who entered the service in the last great war as category A-1 and who then for some reason came out in a low category on discharge should be eligible for pension.

Another matter I wish to deal with concerns the problems of road construction and maintenance throughout Canada. On reaching my desk today I found there a letter from the Saskatchewan No. 14 highway association. I am not going to talk about the route of that highway, but I do want to point out that in many parts of Canada we are facing the ugly head of increasing unemployment, and I suggest that not only will we benefit from an enhanced tourist trade but we would have better highway routes throughout Canada if this government would look across the border to the United States and observe what that government has done with regard to roads over the whole of that country. There is not a single state or county road in the United States which does not receive some federal money, but here to date former governments have seen fit to assist only the trans-Canada highway.

I may say that we in Saskatchewan are quite proud that we have this highway finished throughout our province, and during the summer we had a celebration in connection with that event, but I would like to point out that the suggestion I have made could be the means whereby the government could assist not only the provinces but the whole of the country.

Another matter with which I should like to deal concerns tax sharing, the sharing of taxation derived from corporation and inheritance taxes. All hon. members of the house know that the Rowell-Sirois commission recommended that taxation from these sources should be collected by the central government which would in turn allocate it to the provinces. Since 1947 when such a plan was undertaken by the provinces and the dominion government this program has always been carried out on the basis of fiscal need and the potential revenue of the various provinces. I wish to bring this to the notice of the government because I understand that later this year a dominion-provincial conference will be held and I am hoping that at this conference that the government, in agreement with what the Prime Minister said during the election to the effect that the government would see that there would be a more equitable sharing of taxation, will give this question very high priority and that provinces such as my own province of Saskatchewan will in fact receive a more equitable share of these funds in order to meet their fiscal needs.

I wish also to deal with the tight-money policy. Of course, such a policy was initiated by the former government and it certainly discriminated against a large number of greatly needed works throughout Canada—I am thinking chiefly of municipal endeavours such as the construction of schools, roads, sewage and waterworks. As a result of this policy many of our towns and municipalities were placed in the position that they were not able to get sufficient money to undertake these municipal responsibilities. I wish to urge the government to take a new look at this problem, and I hope the whole question will receive top priority at the dominion-provincial conference to be held later this year.

At the present time my own constituency is very adversely affected by the tight-money policy. As hon. members probably know, we have tremendous oil developments taking place in my constituency with the result that a great many people are flowing into the area. The city of Estevan has now a population of some 8,000 or 10,000 people, and towns or cities such as this are demanding the same kind of service as the larger urban centres are providing. However, as I have explained, many of these towns and cities are not in a position to go out and borrow money because they lack the financial backing. They have sold debentures and the province of Saskatchewan has bought up several million dollars worth of these debentures, but the fact remains at the present time they are financing their projects at interest rates of 6 or 7 per cent.

I want to urge the government to take into consideration the desirability of development being on an equitable basis throughout Canada. I would like to see some such money provided by the federal government as is provided for the assistance of many projects in the United States. This is not a new proposition. It has been done in the United States for many years and many hundreds of millions of dollars has been advanced to municipal authorities and urban councils in order that they may carry out such projects.

Members of the Conservative party, and in particular the Prime Minister, promised during the election to undertake a natural resources development program. I was happy to hear that. An announcement was made

by the previous government that they, too, were prepared to undertake such a survey. This matter also affects my constituency as I think it affects most constituencies throughout Canada. I would like to bring to the attention of the government the fact that at Estevan at present the provincial authority is building a $40 million power project, and I think it is only fair to ask that even though this project is already under development it should be made eligible for some assistance.

Mr. Chairman, I do not wish to take the time of the committee any longer. I do hope, however, that the government will take cognizance of some of the points I have made and bring them into full consideration this session.

Mr. Regier: I would not have risen at all to speak on this resolution had it not been for an article which appeared in today's copy of the *Gazette*. The question I raised on the orders of the day yesterday was a vital one and an urgent one. I asked the Minister of Labour what this government intended to do to head off a serious, developing unemployment problem, having in mind especially the situation on the west coast. The article in the *Gazette* is set in heavy black type, and if I am to take it that that newspaper is a supporter of the government or reflects the thinking of the government, then I am indeed alarmed. The opening paragraph says "labour minister Starr was ready in the Commons" when I asked him about the problem of unemployment. But I am a little concerned that this government is not ready to meet the situation in any shape or form. Among the people in my province I noticed before I left for Ottawa a deep concern in all walks of life about the situation that is likely to develop this coming winter. The minister indicated in his reply to me that the government did expect seasonal unemployment. I attempted to call his attention to the fact that this unemployment already existed; it exists right now. It was there in August and September, and a situation like that must be recognized by the government.

The minister indicated a proposed housing program which might provide some relief. I am not going to deny that the announcement in regard to housing was a welcome one. However, I believe I should point out that the decline in housing will not be offset even by that most welcome announcement. The amount of money allocated by the government in that announcement is not sufficient to offset the decline in housing which is severe as compared to the same time one year ago.

The recommendation made this morning by the new hon. member for Vancouver-Kingsway—and I might say made so ably—should be given serious consideration by the government at a very early date indeed. It was promised to the people of Canada by Conservative candidates in the most recent election. My Conservative opponent, a most highly respected candidate for public office, gave us the assurance that the Conservative party would sponsor trade with red China if her party should form a government. The people on the west coast are looking to this new government to implement that promise.

We are urging this government to take action in finding additional markets for Canadian products in the United Kingdom and the Commonwealth and thereby supply employment to Canadians. I personally was very discouraged when I found out that a member of the British government had to undertake to inform the Canadian people that they were willing to do business with us; yes, they were more than willing to do so. It was very apparent that the Minister of Finance did not want the Canadian people to know just how willing the people of the United Kingdom are to do business with us.

We have also urged that additional markets be found for Canadian products by the acceptance of foreign currency. I remember full well that the present Prime Minister of Canada at one time on a motion put forward by the Social Credit party in this house bolted his party and voted for the acceptance of foreign currency for Canadian products. I would like to know at this time whether those who are unemployed will have some reason to hope that this new government will find additional outlets for the products of Canadian labour. We need not necessarily go abroad to find markets for our products. A great many Canadian citizens are in want and an adequate welfare legislation program supplying all our people with at least a minimum of purchasing power will help create employment for Canadians.

In closing, I wish to point out that when we have unemployment everyone in Canada suffers, rich and poor alike. Perhaps the Canadian economy can tolerate a certain amount of unemployment but when it exceeds the danger point no government in office can handle the urgent problems created by that situation. If this government desires to avoid extremely serious difficulties both for the Canadian people and in terms of its own political future welfare I must say I hope the answer given to me yesterday by the Minister of Labour, especially as it was interpreted by the Montreal *Gazette*, is not an indication of the thinking of this government.

Mr. Robichaud: It is not my intention to delay the passing of this resolution because I realize it is essential to keep the public service in operation. However, I would like to quote again those remarks of the Minister of Finance as reported at page 11 of *Hansard* for Tuesday, October 15 when he said:

> However, this is not to say that the present government will support all of the detailed programs contemplated when those estimates were originally prepared.

I am aware that in Gloucester county, my own constituency, some of the public services have already been curtailed in spite of the fact that the estimates of the Postmaster General had been voted last spring. For example in Middle Caraquet a post office had been in existence for over 50 years. It has been closed since June 12 and up to this date the Postmaster General has not seen fit to recommend a postmaster to replace the one who has been dismissed. As a result those people who are normally served by this post office have had to walk four or five miles in order to pick up their mail or have had to pay anywhere from $1 to $1.50 a day for taxis in order to do this.

A similar situation exists in Shippigan Gully where a post office had been in existence for over 50 years. This was closed around the middle of June and the clients of this post office have had to go to the post office at Shippigan for their mail. This return trip of over 10 miles works a hardship on them. If they cannot walk the distance they too have to pay for a taxi. If that is the way the present government intends to save money I think it is high time they took a second look at the situation. I realize that there may be a shortage of money—

Mr. Fraser: May I ask the hon. member a question?

Mr. Robichaud: Surely.

Mr. Fraser: If the post office was closed on June 12 that would indicate it was the Liberal government which closed it and not the present government.

Mr. Robichaud: Mr. Chairman, in reply to this question I would say that the Post Office Department was fully justified in closing the post office at the time because there were irregularities.

Some hon. Members: Oh, oh.

Mr. Fraser: Now we are hearing the truth.

Mr. Robichaud: Nevertheless there is no reason why another postmaster should not have been appointed to replace the gentlemen who were dismissed. If it is going to take four or five months for the present Postmaster General to replace a postmaster in the meantime this important public service will suffer.

I now have something to say which may be of interest to the Minister of Justice. An account has been submitted by a gentleman in my constituency who acted in the purchase and transfer of lots for a public building at Bathurst. His account was submitted approximately the 1st of June and up until last week he had not been paid. In another instance a surveyor was engaged by the Department of National Defence to do some work in relation to the Eel River rifle range in Restigouche county. His account was submitted at the end of May and as of yesterday he had not been paid. Therefore, Mr. Chairman, I realize just how essential it is that we pass this resolution in order that these payments can be made.

Resolution reported and concurred in.

Mr. Fleming thereupon moved for leave to introduce Bill No. 11, for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1958.

Motion agreed to and bill read the first time.

Mr. Fleming moved the second reading of the bill.

Mr. Speaker: When shall the bill be read a second time?

Mr. Fleming: Now.

Mr. Speaker: By unanimous consent, now?

Some hon. Members: Agreed.

Mr. Speaker: Shall the bill be read the second time?

And more than five members having risen:

Mr. Speaker: Call in the members.

The house divided on the motion (Mr. Fleming) which was agreed to on the following division:

YEAS

Messrs:

Aiken	Batten
Aitken, Miss	Beech
Anderson	Begin
Argue	Bell (Carleton)
Arsenault	Bell (Saint John-Albert)
Ashbourne	Best
Balcer	Blackmore
Barbes	Blanchette
Baskin	

Bourque
Breton
Brisson
Brooks
Broome
Bryce
Bryson
Byrne
Cameron
Campbell (Lambton-Kent)
Campbell (The Battlefords)
Cannon
Cardiff
Cardin
Caron
Carter
Castleden
Cathers
Chabot
Charlton
Chevrier
Christian
Churchill
Coates
Coldwell
Comtois
Courtemanche
Crouse
Deniset
Deschatelets
Deslieres
Doucett
Dumas
Dupuis
Ellis
English
Fairclough, Mrs.
Fairfield
Fisher
Fleming
Fraser
Fulton
Gardiner
Garland
Gauthier (Lake St. John)
Gauthier (Portneuf)
Gour
Green
Grills
Habel
Hahn
Haidasz
Hales
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Hamilton (York West)
Hansell
Hardie
Harkness
Harrison
Hees
Herridge
Hodgson
Houck
Howard
Howe
Huffman
Irwin
Johnston (Bow River)
Jones
Jorgenson
Jung
Kennedy
Kirk
Knowles (Norfolk)
Knowles (Winnipeg North Centre)
Kucherepa
Lafontaine
Lambert
Landry
Leboe
Leduc (Gatineau)
Lennard
Lewry
Low
MacDonald (Antigonish-Guysborough)
Macdonald (Kings)
Macdonald (Vancouver-Kingsway)
Macdonnell (Greenwood)
MacEachen
MacEwan
MacInnis
MacLean
MacRae
McBain
McCleave
McCullough
McDonald (Hamilton South)
McGee
McGrath
McGregor
McIlraith
McIvor
McMillan
McPhillips
McWilliam
Maloney
Mandziuk
Marler
Martin (Essex East)
Martin (Timmins)
Martini
Michaud
Mitchell
Monteith
Montgomery
Morris
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Murphy (Lambton West)
Murphy (Westmorland)
Nicholson
Noble
Nowlan
O'Hurley
Olson
Pallett
Patterson
Pearkes
Peters
Pickersgill
Poulin
Quelch
Raymond
Rea
Regier
Ricard
Richard (Ottawa East)
Richardson
Robichaud
Robinson
Rouleau
St. Laurent (Quebec East)
Schulz
Shaw
Simmons
Simpson
Sinclair
Small
Smith (Battle River-Camrose)
Smith (Calgary South)
Smith (Lincoln)
Smith (Simcoe North)
Stanton
Starr
Stefura
Stewart (Winnipeg North)
Stick
Stinson
Stuart (Charlotte)
Studer
Taylor
Thomas (Middlesex West)
Thomas (Wetaskiwin)
Thompson (Edmonton-Strathcona)
Thompson (Northumberland)
Thrasher
Villeneuve (Glengarry-Prescott)
Villeneuve (Roberval)
Vivian
Walker
Winch
Winkler
Wratten
Zaplitny—194.

[Mr. Speaker.]

NAYS

Mr.

LaCroix—1.

Bill read the second time and the house went into committee thereon, Mr. Courtemanche in the chair.

On clause 1—*Short title.*

Mr. Sinclair: Since the members of the official opposition took ample opportunity when the subject matter was in committee of supply to discuss the items they had in mind we do not intend to prolong the debate by adding anything at this stage of the committee proceedings.

Mr. Harkness: That is wise.

The Chairman: Shall clause 1 carry?

Mr. Knowles (Winnipeg North Centre): May I ask the minister one question? In view of the information that was obtained this afternoon to the effect that certain items in the supplementary estimates last session were actually given legislative effect on a permanent basis by virtue of the wording of the supply bill, may I ask whether there is any such provision in the bill now before us? Are any of these items being given legislative effect beyond the appropriation of money for the current fiscal year?

Mr. Fleming: No. I said a number of times today that no item is finally carried by the present measure at all. With respect to something like 98 per cent of the items it is simply one-twelfth. There are 13 items for which more than one-twelfth of the total item is being asked for and provided for in this bill.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I am afraid the minister did not understand my question. I know the answer that he has now given. He will recall that this afternoon or earlier today I referred to the fact that some items had been passed last session to the extent of only four-ninths. The minister replied that by virtue of the

wording of the appropriation bill, those items had the effect of amending certain statutes. I am now asking whether any of the sections of this bill have that effect.

Mr. Fleming: With respect to these three items this bill has an effect corresponding to the effect of the appropriation bill that was passed last spring. In other words, the act is amended but the item does not become statutory. The only effect of this legislation tonight is to provide an additional fraction of the total amount for the year.

Mr. Quelch: Mr. Chairman, one or two of the members are discussing clauses of the bill but there do not seem to be any copies of the bill around. How can a member discuss clauses of the bill when he has not seen it or cannot get a copy of the bill?

The Chairman: Shall clause 1 carry?

Clause 1 agreed to.

On clause 2—*$260,912,255.50 granted for 1957-1958.*

Mr. Hahn: Mr. Chairman, we have no bill. Apparently there are not enough copies to go around. I think we should wait until such time as we have copies of the bill to look at.

Mr. Fleming: May I say to the hon. gentleman that this practice is a time-honoured one because of the fact that the second reading is moved immediately after the bill has been given first reading. The bill simply follows the standard form of appropriation bills. The section we have just passed is simply the short title of the bill. It is "Appropriation Act No. 6, 1957".

The remaining clauses simply provide for payment out of the consolidated revenue fund of the various amounts that have been under discussion throughout the day. Clause 11, the final clause of the bill, provides that sums expended under the authority of this act shall be accounted for in the public accounts in conformity with section 64 of the Financial Administration Act. But the terms of this bill are the standard provisions of the appropriation measures.

The Chairman: Shall clause 2 carry?

Clause 2 agreed to.

Clauses 3 to 11 inclusive agreed to.

Schedules A, B, C and D agreed to.

On the preamble:

Mr. McMillan: Mr. Chairman, we do not know what we are passing. We have not copies of the bill. We are just going over numbers. That is all we are doing.

Mr. Fleming: Mr. Chairman, the hon. member has been in the house for four years and in that time he has participated in the passing of I suppose anywhere from 15 to 20 of these interim supply bills and he has never before raised this question. As I have said, the bill is simply in the standard form. There is no departure in any respect from the standard form. All that is changed in any of these measures is the amount in each of the various clauses and those are the amounts that we have been dealing with all day. The schedules to the bill simply contain those items of which I have already spoken several times today, namely the 13 items which are not within the ordinary monthly provision.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, —

Mr. Macdonnell: Mr. Chairman, I see that my hon. friend is rising again. Notwithstanding my respect for him, which is great, I wish to suggest to him that there was a phrase once used by a former leader of this party which seems to be applicable now, namely that we should have some regard to "the immortal grounds of common sense."

Mr. Knowles (Winnipeg North Centre): The point made by the Minister of Finance is perfectly correct, namely that it has been the practice through the years to put this bill through without copies of it being in the hands of more than half a dozen members. But on June 10 we understood that a change took place. I suggest that in the future it would not be too difficult to have enough copies of these bills printed so that after first reading they can be placed on the desks of all hon. members. I think it would save time in the long run.

Mr. Fleming: I think it should be said for the record that copies of this bill were placed in the hands of the spokesmen for all the parties. That is the practice which has been followed. There are only 20 copies of the bill available in this form. I come back to the point again, that there is nothing in the bill that calls for review except the amount in each case. Every clause is the same except the first and the last and in every case it has a provision that "out of consolidated revenue funds there may be paid—" and then the amount and the reference to the item follows.

Bill reported, read the third time and passed.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, October 16, consideration of the motion of Mr. A. R. Smith (Calgary South) for an

address to Her Majesty the Queen in reply to her speech at the opening of the session, and the amendment thereto of Mr. Coldwell.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I know of nothing much worse—except perhaps the experience of Scrooge as recorded in "A Christmas Carol" regarding the undigested piece of cheese which caused him to suffer from indigestion—than carrying around for some time a half delivered speech. This has been my lot today. However, I am very happy to finish a speech which has been on my mind throughout the day.

Yesterday I interrupted my remarks when I was saying that the problem of farm surpluses was one of world-wide underconsumption, not of overproduction. Indeed it is still true that two-thirds of the human beings in the world go to bed hungry every night.

We should, as I have said, be proposing or considering worldwide policies to expand consumption rather than any policies which would restrict production. Such plans would require time of course in which to bring about any significant changes.

Thus we must take the long-term as well as the short-term view of the situation which confronts us and indeed confronts the whole world. As I said yesterday, we believe that economic planning under public control and public direction in the public interest is the only possible ultimate solution. This view we share, of course, with the democratic socialist parties in western Europe and in southeast Asia. It was from this position that our amendment was placed before the house yesterday. It is true that according to time honoured custom such an amendment is regarded as a want of confidence motion. Under some circumstances, Mr. Speaker, I submit that that might be unfortunate. Rather our intention was and is to place before the house the fundamental economic and social principle upon which our philosophy and program are based.

As to planning on a world-wide scale, neither the former government nor the new government have given support, for example, to the United Nations fund for economic development to enable countries like India, Ceylon, Pakistan—to mention a few that are vital to the democratic cause—to plan their development on a publicly conceived and directed economic plan though they are proceeding to do so.

Now as a result of our failure to support such proposals as a worldwide food bank, for instance, and the special United Nations fund which I have just mentioned, we, in common with the United States, at the present time find ourselves in possession of a very large food surplus.

Those of us who have recently travelled across the western plains know to what extent the principal product of those plains is piled up in the prairie country. The warehouses are full, the granaries on the farms are full, every disused barn is full and every bit of space that has been provided by the farmers themselves in recent years is full also. As I came through the prairies the other day, at least in my constituency—the heart of the wheat belt as it is sometimes called—there were piles of No. 1 high protein wheat—some of the best wheat we have grown in years—piled under the snow.

I have already stated that until satisfactory arrangements for the sale of this wheat and other grains have been made, advance payments on farm-stored grain, as well as storage payments for grains stored on the farm, are absolutely essential and will I hope be met without delay by the present government. We have urged this and we have moved resolutions in the house to this effect over the years and at last, perhaps, we are within sight of seeing something done in this regard.

I might add that yesterday I welcomed the suggestion of the Prime Minister (Mr. Diefenbaker) that we might interrupt the throne speech debate, as we have interrupted it today, in order to put through the necessary legislation and bring into early effect advance payments on farm-stored grain. I would like to say that we would be very happy to co-operate in the same way to facilitate the enactment of the necessary legislation to bring into effect the improved old age pensions which were foreshadowed this week in the throne speech.

Now let me repeat this: Until satisfactory arrangements for the sale of Canadian wheat and other grains have been made, advance payments on farm stored grain as well as storage payments are absolutely essential and should be made without delay by the federal government. We hope that this is now the intention.

Furthermore, recognizing as we do that the long-term solution rests in the sale of wheat wherever there may be a market for it, Canada should promote trade relationships throughout the world, whether behind the iron curtain or on our side of the iron curtain. As has been pointed out by other members of this group today, a vast potential market has been denied to Canadian producers by the failure of the government to establish diplomatic relations with the government of the most populous country in

the world, namely the government of China. It is clear that diplomatic relations must be established with potential customers.

May I say in this connection that if the hon. members follow the writings of one of the most brilliant commentators on economic and international affairs in our newspapers, Walter Lippmann, and will turn to page 16 of this evening's Ottawa *Journal*, they will find an article by him in which he takes his United States government to task for failing to be realistic and to recognize the fact that there is a government in China.

It is clear, as I have said, that there must be established diplomatic relations in order that our traders entering a country and looking for sales may be adequately protected and arrangements may be made for them to see the right people in any country.

Recognition of the actual government of China is right, not only in principle but is a necessary step in the approach to a solution of Canada's trading problems, and in particular the denial to Canada of the opportunity to sell to the vast Chinese market.

Other democratic countries such as Britain and the Scandinavian countries have recognized the Peking government. Denmark and Sweden joined India last month in urging its admission into the United Nations Assembly and in doing all this, of course, neither Sweden nor any other democratic country approved the policies or the philosophy of the leaders who today are in control of China. We do not either, but we believe that in the interest of world trade and in the interest of world peace the time has come when that recognition should be given. It would, we believe, assist the Canadian people to dispose of some of their commodities in that country with its teeming population.

Thirdly, Canada must endeavour to provide potential customers with the opportunity to earn Canadian dollars with which they can buy goods from us. Trade is not a one-way street, and any policy predicated on such an assumption is doomed to failure. We must lower the barriers in the way of the importation of goods from the sterling area, for instance, so that our purchases will enable those countries to purchase more from us. About this I shall have more to say in a few moments. And we should take, at least in part payment where that is mutually agreed upon, local currency which we could invest in those countries or in areas developed by those countries.

Fourthly, we urge that Canada should be prepared to enter into long-term marketing agreements and if necessary even barter arrangements under which Canadian products could be exchanged for products we can use. Here again, of course, the Food and Agriculture Organization of the United Nations recognizes that the so-called free market is completely inadequate to deal with the problem of selling agricultural commodities.

Fifthly, the Canadian government should promote vigorously the establishment of a world food bank and a greatly expanded program of economic aid such as I have already mentioned—the special United Nations fund for economic development and other funds such as the Colombo plan.

May I say immediately that I am sure the people of Canada will be extremely disappointed by the summary way in which the Canadian government dismissed the trade proposals of the United Kingdom. This was particularly disappointing in view of the fact that statements by the Prime Minister had led people to conclude that the new government was prepared to make a new departure in Canadian trade matters. The Prime Minister announced his aim, hon. members will recall, of diverting 15 per cent of Canadian trade from the United States to the United Kingdom, but when the United Kingdom took up this suggestion and put forth a carefully considered proposal which might have gone some distance toward achieving this objective, the government adopted a most negative attitude. It seems clear that in spite of reports that Britain's proposal for free trade had been before the Canadian government since September 10, they had not been given any careful study at all and there has been increasing concern about the failure of the government generally to make positive decisions on economic and trade policies, an attitude which is so completely reflected in the Conservative reaction to the United Kingdom proposal.

The Canadian government did not even publicly pledge itself to give the United Kingdom proposal serious consideration, but contented itself, for the time being at least, with suggesting two or three steps which, while good in themselves, cannot even make a dent in the trade balance. Let me put the three steps on record.

The first of these, indeed, which pledged to switch government purchasing from the United States to the United Kingdom, is an objective which we have urged in this house for the past ten years, particularly for purchases by the Department of National Defence both here and overseas.

The second was a promise by the Canadian government to consider some increase in the $100 tourist exemption granted to Canadians returning from overseas. I think that is worth while, but it is a very small thing;

even if it were increased to $500 it would not amount to very much in the way of trade from the United Kingdom or anywhere else overseas.

And then, thirdly, was the promise of a high-level trade mission to visit the United Kingdom before the end of this year with a view to stimulating purchases from the United Kingdom of goods presently imported from elsewhere, that is to stimulate purchases not only from the United Kingdom but from other commonwealth countries.

Now these are mere patches on present policies and they will not suffice; a mere carrying over into the new government of Liberal trade policies which I do not think this house should support any longer. Surely a new approach must be taken. Surely the British proposals ought to be considered with the care and with the sympathy they deserve. We are living increasingly in one world. The time has gone by when nations can expect to raise tariff barriers high against the world and live in prosperity behind those barriers themselves.

We in the C.C.F. party have always felt that tariffs are an outmoded, archaic and ineffective way of planning the Canadian economy. For instance, at no time were Canadian tariffs higher than during the period between 1930 and 1940, yet I doubt whether there was any other period in which Canadian consumers and producers alike suffered such hardships as were suffered in Canada behind those tariff walls during those years.

Canadian tariff policies have placed a burden upon the consumer, and particularly on the consumer in some regions of Canada, and it has been demonstrated again and again that they are quite ineffective in safeguarding the jobs of Canadian workers. As for the regional disabilities, those of us who have lived in western Canada, as I have done now for nearly 50 years, can look back over those years and see how the west has been exploited behind tariff walls built up to protect so-called infant industries which have since become giants in our midst. Over a period of years those infant industries have grown up into lusty middle age, and when they heard the proposal for free trade with Britain they began to scream that it would never do, because it would ruin them. As a matter of fact, I believe some of these industries, such as the electrical industry and the automobile industry, would actually benefit from free trade with the United Kingdom because they would then be able to sell some of their products in the United Kingdom market which is virtually closed to them today.

We say there should be a vast change in Canadian trade policies. We believe that rather than relying on a tariff structure to maintain a share of a restricted market we should be seeking to enlarge the market available to us, and not only to retain our proportion of that larger market but to free it and expand it. We believe that if the international trade organization which was proposed after the war had not been scuttled by those who were anxious to see the old trade policies of the world re-established, world trade today would be in a much healthier condition than it is.

One of the fundamental goals of the proposed international trade organization was to plan trade at the international level so as to ensure full employment and a high standard of living to all. The supporters of the international trade organization realized that international cartels were an important factor in some of the trade problems that were prevalent and it was to deal with these and other matters that it was proposed to set up the organization to assist trade between the nations on a freer basis.

The international trade organization was not established, but Canada should continue to press for this kind of development and as far as its own trade is concerned adopt a positive rather than a negative attitude. We believe that planned international trade through the establishment of national export-import boards would serve to enable us to carry out beneficial trade agreements, expand trade, safeguard our national interest and benefit our economy generally.

The magnitude of our trading problem can be seen when we compare the deficit on current account for the first half of this year with the same period of 1956. For the first half of this current year our deficit stood at $914 million as compared with $798 million for the previous year and $348 million for the first half of 1955. This is a phenomenal figure and when we consider that almost 25 per cent of this balance or $212 million arises from a deficit on interest and dividend accounts it becomes very clear that we cannot continue to rely as we have been upon the import of United States capital in order to balance our current account.

Interest and dividend payments have increased sharply from the level at which they stood in the same period for 1956, namely $154 million. As the total of outside investment in Canada climbs the deficit on interest and dividend accounts will steadily mount. That is why the reliance which we have had in the past on United States investment will pose a greater and greater problem for the future, leaving the deficit in our cash trade balance increasingly dependent on the flow of United States

investment in Canada. This leaves Canada most vulnerable not only to economic trends in the United States economy but also to economic pressure and I believe ultimately to political pressure from abroad.

I remember that, just a short time ago during the election period and since, the Conservative party made ardent declarations about the necessity of safeguarding Canada from the control of huge United States corporations that played a prominent part in United States investment in Canada. I read just a few days ago that the Conservative Minister of Finance appeared in New York to soothe the troubled minds of United States investors assuring them of an open-armed welcome into Canada.

We are not opposed to foreign investment where and when it will be beneficial. Let me repeat that what we need is the planned development of our resources and our industry. This requires control and direction of investment by a national planning board responsible to this parliament of Canada. Because we lack both planning and control in the public interest we have been plagued with uncontrolled inflation. I know for instance that the consumer price index has continued to climb and in August of this year stood at the highest level in Canadian history. The cost of living was one of the principal issues that concerned the Canadian public in the last general election. This matter, however, has been completely dismissed by the throne speech. We are anxious to know why the government has ignored this problem in the same way as the previous administration did.

Of course we know that our Liberal, Conservative and Social Credit friends united to oppose the efforts of this group in the House of Commons to retain the beneficial price controls which we believe are essential to deal with inflation, but it is surprising to discover that the new Minister of Finance should merely suggest that Canadians should fight the high cost of living by saving. Surely the minister should be aware that it is the high cost of living which makes saving difficult, if not impossible.

We have now seen that whenever as a result of defence expenditure or other causes a high level of employment has been obtained inflation has come to the fore unless there were social and economic controls and some economic planning as we knew it during the war. The unplanned economy has always shown this inherent incapacity to maintain both full employment and a stable price level so that today we hear prominent businessmen—indeed the general manager of the Canadian Chamber of Commerce—suggesting that the question is how much unemployment the people will stand in order to end or control inflation.

We do not believe the tragic wastage of human resources that is involved in unemployment can be supported at any time as a device for combatting inflation. We believe these twin evils inflation and unemployment must be eliminated together by the kind of public planning that was used during the war to put the tremendous productive capacity of this nation to full use. But we should also plan not only for ourselves but to make the world a better place in which to live instead of devoting so much attention as the nations of the world have been doing of late to providing instruments to destroy the world.

I referred to the attitude of some businessmen who have suggested that unemployment should be used to combat inflation. The alarming thing today is that while inflation is continuing—and as I said usually inflation is accompanied by full employment—in this instance we have increasing inflation and at the same time unemployment figures are showing a sharp rise over the figures for this time last year.

There is justifiable alarm in many sections of the country about the situation that might possibly come into being this winter. I think it is important that the government should indicate the steps it is going to take. In this morning's paper I noted that the city council of Toronto is highly alarmed at the sharp increase in unemployment in that city and is approaching the provincial government. The federal authority having control in a large measure of the finance and economy of this country has in my opinion a primary responsibility in connection with the problem of unemployment.

I suppose, however, the steps that will be taken will be nothing more than a modification of what the former government did. We should have an indication of a new approach, evidence of a determination to turn away from the unplanned private enterprise economy that has failed to meet some of these problems that confront this country and the world today.

According to the latest available figures I was able to obtain, those for August 22, 1957 compiled by the national employment service, unemployment stood at 249,000 as of that date compared with 170,000 at the same time last year. As I have said, the newspapers today indicate how alarmed the city council of Toronto is. The city council of Vancouver

is alarmed, too, as is the city council of Winnipeg and other centres in Canada. Yet there is no mention of this important matter in the speech from the throne.

The government has left untouched the tight money policy instituted by the Liberal government when it was in office and which policy was so strongly criticized by the Conservative party when in opposition. Four months have passed since the new government was formed and a policy which did not require legislation to adopt and certainly would not require legislation to amend, change or rescind, has been carried on in the same form.

I am not suggesting for a moment that a mere change in monetary policy would suffice. Indeed without proper direction of investment, a loose-money policy would increase rather than diminish the inflation from which we are suffering. The crux of the situation is, as our amendment indicates, the planning of the development of our resources and industry under a national plan whose directors would be responsible to this parliament. This we believe is the only real solution to the economic and social problems which confront Canada today.

I am going to take the opportunity to turn to another topic for a few moments. I had thought of dealing with it today when we were discussing the interim supply bill, but knowing that I was going to speak tonight and not being quite as restricted in time as I usually am because of the amendment we moved, I decided I would include it in this talk this evening.

Naturally, I welcome the appointment of the royal commission to study the question of the use of Canadian energy resources and to ensure the most effective use of such resources in the public interest, but I am not unmindful of this, that the present party in power is faced with a problem in this regard because of its attitude in the house during the pipe line debate. I could not put my finger on it today but I know it is in *Hansard* where a former prime minister said that the establishment of a royal commission was often an excellent way of shelving a difficult problem. I hope that the setting up of this royal commission to deal with energy, oil, gas, pipe lines, and so on, is not being undertaken in order to shelve a very important problem. I think such a study is entirely desirable and, indeed, overdue.

However, there are a number of matters on which it is necessary that action should be taken before the report of any royal commission is available. Indeed, they are questions of policy that should not be shelved. I am thinking particularly of the reference of the matter of Trans-Canada Pipe Lines Limited to the royal commission. I note that the question is referred in this way and I am quoting it:

> Whether in view of its special relationship to the Northern Ontario Pipe Line Crown Corporation and the nature of its financing and control any special measures need to be undertaken in relation to Trans-Canada Pipe Lines Limited in order to safeguard the interests of Canadian producers or consumers of gas.

I believe that immediate steps are necessary, not steps that may be taken a year from now, 18 months or two years from now, after a lengthy inquiry by a royal commission.

Mr. Green: Mr. Speaker, on a point of order; I submit to Your Honour that what the hon. member is saying now is not in order. He is dealing directly with the terms of the royal commission and a subject referred to it and I submit that is not in order.

Mr. Coldwell: May I say, Mr. Speaker, that I am not dealing with the report of the royal commission. When does an announcement that a royal commission is being set up preclude discussion in this house?

Mr. Green: On the point of order, it is not a matter of a royal commission to be set up. The royal commission has been set up by order in council and it has been a recognized rule in this house for many years that such a subject cannot be discussed.

Mr. Chevrier: On the point of order, I am astounded at my hon. friend making the statement he has. I remember a few years ago when I sat on the other side of the house an attitude such as he has taken tonight was taken by some hon. members then and he was the one who protested most. But let me say this. My hon. friend is discussing the speech from the throne. Under the rules, as I understand them at least, he has the right to discuss any subject. Certainly the Prime Minister when he made his point the other day and the announcement which followed did not indicate in any way that anyone was precluded from discussing the terms of reference. The commission has not made a report. There is nothing sub judice. In the circumstances I submit to you, sir, with deference, that the hon. member has every right to do what he is doing.

Mr. Green: If the commission had made a report that would be an entirely different matter. It has not made a report and this matter is sub judice.

Mr. Speaker: I think I have heard enough to determine the matter. There is nothing on the order paper which would preclude a discussion of this matter. The royal commission is not a court of record and matters before it are not sub judice. Therefore I see no reason why the hon. member should not discuss it.

Mr. Pickersgill: Closure by order in council.

Mr. Coldwell: I will say immediately I will not refer to the royal commission again though I have the right to do so, but what I am going to do is to refer to some of the statements made by my hon. friends in this house in 1956. I submit that we have to look into this matter in this parliament apart altogether from the fact that it may be looked into elsewhere.

It has been suggested in this house by this group on a good many occasions that we should go into the matter of the trans-Canada pipe line and other matters associated with oil and gas very thoroughly in order to safeguard the public interest. Indeed it was suggested by the very Conservative party now in power that the crown corporation, that is the Northern Ontario Pipe Line Crown Corporation, should be enlarged in its powers to do certain things in order to protect the public interest. I quote Mr. Drew on June 4, 1956, as reported in *Hansard* at page 4673:

> Enlarging the powers of the crown corporation (Northern Ontario Pipe Line Crown Corporation) so that the entire pipe line may be constructed immediately under public ownership.

So that there may not be any doubt about the position put by the Conservative party at that time, let me read something of what Mr. Drew had to say before moving the motion. I quote from *Hansard* at page 4672. Mr. Drew said this:

> The Prime Minister said that we made no suggestions.

That is, the Conservative party made no suggestions. I continue:

> We were not given the opportunity. There could have been proposals. Now, on third reading, we say to the government: You want to get ahead with the pipe line. All right, if you are determined to follow the course of going ahead with the pipe line with a crown corporation, go ahead with it but expand the crown corporation and give that crown corporation the power to build the whole line from the Alberta boundary right to the east. That was what I said on March 15, and I repeat it.

He went on:

> Therefore if it comes to the stage where the government forces through an unnecessary venture of this kind, then there is only one thing to do and that is to build the whole pipe line and not just part of it and have control over the whole line.

Mr. Drew, on behalf of the Conservative party, issued a challenge to the government. He declared at that time:

> Let them go ahead, let them introduce a bill to expand the operation of the crown corporation to embrace the whole line.

That is the challenge Mr. Drew made to the government on that day and that is the challenge that has returned to haunt the government of today, for that is the challenge I am making to them tonight. So that there may not be any confusion or any charges of misrepresentation of the Conservative position at that time, I would like to read the whole motion that Mr. Drew moved at the time.

Mr. Fulton: You forget that part of the line is already built; the circumstances have changed entirely.

Mr. Coldwell: The reference may be found at page 4673 of *Hansard*. This is what Mr. Drew's motion was on that day:

> That the bill be not now read the third time but that it be referred back to the committee of the whole with instructions that they have power to amend sections 5, 6 and 7 thereof to include the agreements made with Trans-Canada Pipe Lines Limited as schedules to the bill and add other sections necessary to ensure that the bill shall give effect to one of the following principles:
>
> First, the immediate agreement of Trans-Canada Pipe Lines Limited to reorganize as a company under effective Canadian ownership and control and to undertake construction without a grant of public money, in accordance with the assurances upon which its charter was granted by parliament; or—

That is the assurance that the promoters gave to parliament five years earlier.

> Second, failing such agreement, the immediate consideration of other proposals submitted by any other persons or companies for the immediate financing and construction of the pipe line under effective Canadian ownership and control and without a grant of public money; or
>
> Third, enlarge the powers of the crown corporation so that the entire pipe line may be constructed immediately under public ownership.

Those were the three alternatives placed before the house by Mr. Drew. Let us examine these proposals for a moment. The first proposal immediately falls to the ground. The second is eliminated by the passage of events. The grant of public money has been made to the pipe line company. Therefore the Conservative party is driven back to the third proposal made in March, 1956 and reiterated on June 4 when Mr. Drew said:

> Therefore if it comes to the stage where this government forces through an unnecessary venture of this kind, then there is only one thing to do and that is build the whole pipe line and not just part of it, and have control over the whole line.

That was the Conservative policy. What is their policy today? They called Trans-Canada Pipe Lines Limited the pet of the

Liberal government. Whose pet is it today? The pet of the Conservative party? Apparently they are going through with the deal that they described as fantastic, rotten and every other adjective that could be used against it. We used them too in speaking against that proposal when the bill was before the house. What are they going to do about it now?

Mr. Knowles (Winnipeg North Centre): They have joined the Texas buccaneers.

Mr. Coldwell: The Liberal government forced through the proposal over the opposition of this group and of the Conservative party, and I want to say to my hon. friends of the Liberal party that I believe that more than anything else the pipe line was responsible for the position of the two main parties in the house at the present time. To repeat the words of Mr. Drew, "there is only one thing to do", and that is to bring the whole line under public ownership. It is inconceivable to me, therefore, that the Conservative party in power could consider supporting or maintaining the Northern Ontario Pipe Line Crown Corporation Act and not move an amendment to it in precisely the same form that they suggested should be done on June 4, 1956. Let them amend the statute according to their own suggestion of June 4, 1956.

What was the position of the present Prime Minister at that time on the Conservative amendment that I have read into the record? I see that on June 5, 1956—and I have *Hansard* here; it is to be found at page 4763—he voted in favour of it. I see too that the present Minister of Trade and Commerce (Mr. Churchill) also cast his vote for this policy, as did the present Secretary of State (Mrs. Fairclough), the present Minister of Finance (Mr. Fleming), the present Minister of Justice (Mr. Fulton), the Minister of Transport (Mr. Hees), the Minister of National Revenue (Mr. Nowlan), the Minister of National Defence (Mr. Pearkes), the Minister of Labour (Mr. Starr) and so on. I cannot see how these hon. gentlemen can tolerate for one moment the carrying on in 1957 of a Liberal policy that they so thoroughly denounced in the house in 1956.

The people of Canada surely expect that the Conservative government will carry out the policy that the Conservative opposition recommended just a little over one year ago. The reference of this particular matter to the royal commission may be at the moment so far as the government is concerned a useful way of dealing with it temporarily but I say it is a complete abdication of the government's responsibility. I fear that this indicates that the Conservative party has changed its mind and that it is using this method of postponing until some future date when the line is built and when it can announce to the public with more safety the reversal of the position it took a year ago.

So, as I said, while I welcome the appointment of a royal commission to inquire into the use of our resources, including oil and gas, I deplore the fact that it appears that some important steps are being postponed in such a way as to arouse the gravest suspicion about the government's attitude. There is other government action that should not be postponed until the report of the royal commission. I am thinking now of government action to prevent promoters of pipe line companies from making millions at the expense of the public. They are raiding the purses of the public by stock and other manipulations, by getting into their hands stock options for next to nothing, by insiders going out and selling stock to the people, raiding their purses and making millions and millions of dollars. I am thinking of that. It is ten o'clock, Mr. Speaker, and as I want to say something about these raids on the purses of the public of Canada I shall hope to resume tomorrow.

On motion of Mr. Coldwell the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask the leader of the government what the business is for tomorrow?

Mr. Green: Tomorrow we shall continue with this debate.

At ten o'clock the house adjourned, without question put, pursuant to standing order.

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:

PIKE CREEK—DREDGING AND RETAINING WALL

Question No. 16—**Mr. Martin (Essex East):**

Question

1. Were tenders called for in connection with certain dredging and the erection of a retaining wall at Pike Creek in the constituency of Essex East?
2. If so, was an award made by the Department of Public Works during the past summer?
3. Has the work been proceeded with?
4. If not, for what reason?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. Yes.
2. No.
3. No.
4. Funds were to be provided jointly by the provincial and federal governments. The amount of the low tenderer was higher than estimated and the matter is being reviewed with the provincial government which has expressed reservation about participating in view of the higher cost.

HOUSE OF COMMONS

Friday, October 18, 1957

The house met at eleven o'clock.

EXTERNAL AFFAIRS

SYRIAN-TURKISH BORDER—SUGGESTED USE OF UNITED NATIONS EMERGENCY FORCE

On the orders of the day:

Hon. L. B. Pearson (Algoma East): Mr. Speaker, I would like to address a question to the Acting Prime Minister (Mr. Green). In view of what appears to be a tense and dangerous situation on the Syrian-Turkish border, would the government consider instructing their delegation at the United Nations assembly to explore with other delegations, as a matter of urgency, the possibility of stationing elements of the United Nations emergency force on that border in the interests of greater security and the avoidance of aggression?

Hon. Howard C. Green (Acting Prime Minister): Mr. Speaker, I thank the hon. member for his suggestion. I agree that this is a very serious situation, and we will be glad to give consideration to what he has said.

COLOMBO PLAN—INQUIRY AS TO INCREASE IN CONTRIBUTION

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask a question of the Acting Prime Minister, Mr. Speaker? In view of the fact that one of the ministers without portfolio is now on his way to Saigon in South Viet Nam to attend the meeting of the Colombo plan, and in view of the repeated declarations made in this house by the present Prime Minister as to the inadequacy of Canada's contribution to the Colombo plan, can the Acting Prime Minister say whether or not the minister without portfolio will be announcing that Canada proposes to make substantial increases in its Colombo plan contributions?

Hon. Howard C. Green (Acting Prime Minister): Mr. Speaker, this is not the type of statement that should be made without some consideration, but we will be making a statement to the house at the earliest opportunity on this question.

Mr. Martin (Essex East): But will the minister without portfolio who has now left the house for Asia be making an announcement on the lines I have indicated?

Mr. Green: That is the same question dressed up in a somewhat different form, and my answer is the same as the answer I gave to the first one.

Mr. Martin (Essex East): Perhaps I would be correct in saying that the Acting Prime Minister is not aware of the situation.

Mr. Green: The hon. member for Essex East would be very incorrect to assume any such thing.

SHIPPING

TRANSFER TO TRANSPORT DEPARTMENT OF H.M.C.S. LABRADOR

On the orders of the day:

Mr. L. T. Stick (Trinity-Conception): Mr. Speaker, I would like to address a question to the Minister of Transport in connection with the transfer to his department of H.M.C.S. *Labrador*. What physical changes are to be made to this ship, by whom are they to be carried out, and have tenders been called for?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I wish to thank the hon. member for having sent me notice of his question. The answer is that discussions with regard to the arrangements for the transfer of the *Labrador* from the Royal Canadian Navy to the Department of Transport are still going on, and no decision has yet been taken by my department as to what physical changes to the ship, if any, should be undertaken in this connection. At such time as a decision has been made I will be very glad to give the hon. member the information he seeks.

Hon. George C. Marler (St. Antoine-Westmount): Before the minister goes on, may I ask a supplementary question. Did the minister not make an announcement quite recently that the transfer of the *Labrador* from the Department of National Defence to the Department of Transport had actually taken place?

Mr. Hees: No, Mr. Speaker, once again the hon. member is mistaken. The announcement I made was that arrangements were being made between the departments for the transfer, but the transfer was not expected to take place until later on in the year when the arrangements between the two departments had been worked out.

Inquiries of the Ministry

Mr. Marler: So I take it the minister was misquoted.

Mr. Hees: No, Mr. Speaker, the minister was not misquoted; he was quoted as saying exactly what I am telling the house now.

An hon. Member: Read the St. John's *News*.

UNION STEAMSHIP LINES, B.C.
—SUBVENTION PAYMENTS

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I would like to direct the following question to the parliamentary assistant to the Minister of Transport. Perhaps it could be taken as notice. Has there been any change in policy in respect to payment of a subvention to Union Steamship Lines to carry cargo into the northern ports of British Columbia?

Mr. A. R. MacDonald (Parliamentary Assistant to the Minister of Transport): Mr. Speaker, as parliamentary assistant to the Minister of Transport I will take this question as notice and the information will be supplied as soon as possible.

FREIGHT RATES

STATEMENT ON EQUALIZATION PROGRAM

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, the hon. member for Assiniboia (Mr. Argue) asked what progress was being made with regard to the freight equalization program.

The board of transport commissioners is continuing to make progress with the freight rates equalization program. It had submitted an earlier report on action with regard to equalization of class rates. It has now submitted a further progress report regarding equalization of commodity rates. This further report has been forwarded to the governor in council, and I expect that it will shortly be tabled or otherwise made available.

[*Later:*]

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I wish to address a question to the Minister of Transport arising out of his statement that class rates are being equalized. Since those rates affect, I understand, only 10 per cent of the traffic, is the government considering any policy different from the one of further discriminatory increases in freight rates which may take place as a result of the present application? Has the government considered any policy different from that of allowing further discriminatory increases?

[Mr. Hees.]

Mr. Hees: Mr. Speaker, these are all matters which are examined by the board of transport commissioners. I have reported to the hon. member the results which have been obtained so far from the examination that is being carried out, and I have given him a full answer to his question.

Mr. Argue: Mr. Speaker, I was inquiring whether the government itself is considering any change in policy, such as that brought about a few years ago by the $7 million subsidy spent on maintaining trackage in northern Ontario. Is the institution of that type of policy being considered?

Mr. Hees: Mr. Speaker, I do not know of any plan to encourage discriminatory freight rates. We have always been very much against discriminatory freight rates, and if at any time people in various parts of the country believe that freight rates are discriminatory, they have a perfect right to be heard by the board of transport commissioners in the normal way, and the findings of the board will be examined by the government in due course.

[*Later:*]

REQUEST FOR REDUCTION IN RATES ON GRAIN

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I would like to address a question to the Minister of Transport. While I have not given him notice, there has been an exchange of correspondence between us with regard to this matter. Is the government taking any action at the present time in an attempt to reduce the very discriminatory freight rates on grain moving from the prairie towns to the lakehead?

Hon. George H. Hees (Minister of Transport): This question, Mr. Speaker, has been and is being considered by the board of transport commissioners, and if there is anything to report to the hon. member in the future I will be glad to let him know.

CANADIAN NATIONAL RAILWAYS

PRINCE RUPERT, B.C.—STATEMENT ON RELEASE OF PROPERTY FOR INDUSTRIAL USE

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I should also like to take this opportunity to answer the question asked yesterday by the hon. member for Skeena (Mr. Howard). He asked if information could be given in connection with the disposal of certain Canadian National waterfront property at Prince Rupert, B.C.

I have been in touch with the management of the railway, who advise that negotiations are at present actively under way, but that final arrangements have not yet been concluded.

[*Later:*]

Mr. Frank Howard (Skeena): Mr. Speaker, first I wish to direct a question to the Minister of Transport. I wonder if he could advise me when the negotiations to which he referred between the Canadian National Railways and this other private concern might be expected to be completed?

Mr. Hees: Mr. Speaker, the management of the Canadian National Railways have advised me that they will be completed just as soon as possible.

CANALS

CHIGNECTO—STATEMENT ON PERSONNEL ENGAGED IN SURVEY

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, yesterday the hon. member for Westmorland (Mr. Murphy) asked who are carrying on studies regarding transportation problems in the Atlantic region, and what is the competence of the people who are carrying out this work.

Mr. Murphy (Westmorland): That was not the question.

Mr. Hees: As I understand it, Mr. Speaker, that was the question, and my answer is that this work is being carried out under the direction of the bureau of transportation economics within my department. The staff engaged in this work are the regular employees of that bureau, employed by the civil service commission in accordance with the normal procedures, and selected because of their competence in dealing with economic and other aspects of transportation matters.

I would like to assure the hon. member that I have the greatest confidence in the competence of those who are carrying out these studies, and if he has any doubt as to their competence I suggest he speak to the hon. member for Laurier (Mr. Chevrier) or the hon. member for St. Antoine-Westmount (Mr. Marler) under whose direction these men were appointed to carry out this type of work for my department.

Hon. George C. Marler (St. Antoine-Westmount): I would like to draw the minister's attention to the fact that the question he was asked related to the Chignecto canal and not to transportation problems in general.

Mr. Hees: I am always glad to put the hon. member straight on these matters—

Some hon. Members: Order.

Mr. Speaker: There is no question before the house.

[*Later:*]

Mr. Henry Murphy (Westmorland): I should like to direct a supplementary question to the Minister of Transport arising out of the answer he has made. Does the government now consider the Chignecto canal project as part of the St. Lawrence seaway, as did the Prime Minister in Saint John, New Brunswick, on May 3 of this year?

Mr. Hees: Mr. Speaker, I am not aware that the Prime Minister said any such thing.

Mr. Sinclair: It is hard to keep up with all the promises he made during the election campaign. I do not blame you for not knowing them all.

WELLAND, ONTARIO—INQUIRY AS TO FEDERAL FINANCIAL ASSISTANCE TO RELIEVE TRAFFIC CONGESTION

On the orders of the day:

Mr. W. H. McMillan (Welland): Mr. Speaker, I would like to direct a question to the Minister of Transport. I tried to reach him this morning but was unsuccessful, so I could not give him any notice. Has the minister of highways of Ontario approached him regarding federal financial assistance for the relief of traffic bottlenecks across the Welland ship canal in the Niagara district?

Hon. George H. Hees (Minister of Transport): The answer, Mr. Speaker, is no.

CRIMINAL LAW

REQUEST FOR LEGISLATION RESPECTING SALE OF OBSCENE LITERATURE

On the orders of the day:

Mr. W. L. Houck (Niagara Falls): Mr. Speaker, I would like to direct a question to the Minister of Justice, and I ask this because of the very fine remarks the minister made about the sale of obscene literature when he was in opposition. I am wondering if in his present ministry, when it is within his power to bring in legislation in this parliament, he is going to do so prohibiting the sale of obscene literature.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I would like to thank the hon. gentleman for his kind remarks and also for having indicated to me yesterday that he was going to raise this matter. In reply I should like to inform him that this question was

considered at the recent meeting of the committee on uniformity of laws which met in Calgary just prior to the annual convention of the Canadian Bar Association. They gave consideration to the subject and their consideration raised certain further problems which are now being studied in the Department of Justice.

I can assure the hon. member that I am still as interested and concerned over this matter as ever, and as soon as it is possible to reach a decision and make recommendations I will be happy to do so.

Mr. Martin (Essex East): I think you are stalling.

[*Later:*]

CAPITAL AND CORPORAL PUNISHMENT—FAUTEUX REPORT

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I would like to address a question to the Minister of Justice. Is the minister in a position to inform the house what action is being taken on the report of the joint committee of the Senate and the House of Commons on capital and corporal punishment and lotteries, and also on the Fauteux report? Will any action be taken this session on the introduction of legislation which comes completely within the jurisdiction of the House of Commons?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, the hon. gentleman's question is rather a lengthy one and, as I recall it, contains three parts. I will try to deal with it as briefly as I can.

As the hon. gentleman knows, there was no opportunity provided at the previous sessions of the house to take into consideration the report of the joint committee on capital and corporal punishment and lotteries, and until that is done it is difficult to say just what will be done by the government in that regard.

With respect to the second part of the question regarding the report of the Fauteux commission, I can tell him that this matter is now receiving the exclusive attention of an officer in my department, with a view to preparing what I might call a working paper which will then form the basis of discussions which it is hoped to hold with the provincial attorneys general.

As to the last part of the hon. gentleman's question, I regret that I do not recall the details. However, I will read it in *Hansard* and give him the answer at the earliest possible opportunity.

[Mr. Fulton.]

Mr. Winch: Well, may I ask a supplementary question, Mr. Speaker. Is action going to be taken at this session on those sections which come completely within the purview of the House of Commons and the Senate, dealing with such matters as stamps, the retail trade, the give-aways in the retail trade in various other aspects, having regard to all the reports which are now before you?

Mr. Fulton: Mr. Speaker, attention is being given to these matters within the department; but I should say it is our feeling that it would be desirable, before introducing any legislation dealing with any of them, to attempt to reach as unanimous agreement as is possible with the provincial officials concerned, and that there is at the moment not too great a unanimity of view in that field. Therefore we are continuing to explore the matter and are not at this time in a position to introduce legislation.

TRADE

INQUIRY AS TO REPORTED TRADE MISSION TO U.K.

On the orders of the day:

Mr. E. G. Hansell (Macleod): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce based on the report which came from the Prime Minister's office yesterday to the effect that a 50-man mission may be flown to London on November 22 and might stay there for three weeks. Would the government make a statement on this matter and tell the house whether or not this is a government-sponsored mission and who is going to pay for it?

Hon. Gordon Churchill (Minister of Trade and Commerce): Well, Mr. Speaker, a full statement will be made in due course with regard to the proposed trade mission.

NON-STRATEGIC GOODS—EXPORTS TO SOVIET UNION AND COMMUNIST CHINA

On the orders of the day:

Mr. Lucien Cardin (Richelieu-Vercheres): May I direct a question to the Minister of Trade and Commerce. In the interests of increasing our exports of non-strategic goods, has the government taken any action, such as that taken by the United Kingdom and others members of NATO, to remove the differential between the list of prohibited exports to the Soviet union and that of communist China?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, this matter is under review, and when there is anything to announce with regard to government policy, that announcement will be made.

Mr. McIlraith: It is a question of fact that he has asked, not of policy.

[*Later:*]

Mr. Cardin: Mr. Speaker, I would like to ask a question supplementary to the one I asked a moment ago. Would the Minister of Trade and Commerce be kind enough to tell the house whether or not the government is taking any action to remove the differential between the list of prohibited exports to the Soviet union and that with respect to communist China?

Mr. Churchill: Mr. Speaker, I know of no action that has been taken recently.

UNEMPLOYMENT INSURANCE COMMISSION

BRITISH COLUMBIA—REQUEST FOR OPENING OF NEW OFFICES

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a question to the Minister of Labour, and I trust he has had sufficient notice of my intention to ask it. What steps are being taken to establish offices of the unemployment insurance commission and the national employment service in the communities of Terrace, Smithers and Burns Lake?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I have not had any notice of this question but if the hon. member wishes me to look into the matter I will have a report prepared.

PIPE LINES

TRANS-CANADA PIPE LINES—CONSTRUCTION OF NORTHERN ONTARIO SECTION

On the orders of the day:

Mr. J. R. Garland (Nipissing): Mr. Speaker, in the absence of the Prime Minister I would like to direct a question to the Acting Prime Minister. Further to the Prime Minister's announcement appointing a royal commission on energy and more specifically to paragraph "d" covering details of its terms of reference, will he assure the house and in particular the people of northern Ontario that this will in no way be used either now or in the future by his government to delay the construction of the northern Ontario section of the trans-Canada pipe line, the construction of which is so important to the future development of northern Ontario?

Mr. Knowles (Winnipeg North Centre): Order.

Hon. Howard C. Green (Acting Prime Minister): Mr. Speaker, I do not have a copy of the order in council before me at the moment but I can assure the hon. member—

Mr. Garland: Section "d" refers to northern Ontario.

Mr. Green: —that we are just as anxious as he is to have the trans-Canada pipe line completed.

Some hon. Members: Hurrah.

Mr. Harkness: We always were.

PUBLIC BUILDINGS

JOYCEVILLE—INQUIRY AS TO ADMINISTRATION BUILDING

On the orders of the day:

Mr. W. J. Henderson (Kingston): Mr. Speaker, I should like to direct a question to the Minister of Justice. Would he please advise the house if the contract for the construction of the administration building at Joyceville penitentiary has been let to date?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I thank the hon. member for giving me notice of his intention to ask this question, and in reply I should inform him that tenders for the construction of the administration building have been invited, with a closing date for submitting tenders of October 30.

Mr. Henderson: A supplementary question, Mr. Speaker. Would the minister please rush the matter along to alleviate unemployment in the locality during the winter?

Mr. Fulton: Mr. Speaker, I am informed that construction may be expected to commence as soon as a contract has been let.

PENTICTON, B.C.—PROPOSED NEW FEDERAL BUILDING

On the orders of the day:

Mr. F. C. Christian (Okanagan Boundary): Mr. Speaker, I should like to direct three questions to the Minister of Public Works. I have given him notice of these questions. Have any steps been taken by the government to purchase land in the city of Penticton, British Columbia, for the purpose of constructing a proposed federal building thereon? If so, what has been done? When does the government anticipate the construction of such federal building will commence? To what specific use or uses will the building be put?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I thank the hon. member for having sent me notice of these questions. The answers are that the department

is at present investigating suitable sites. It is expected that construction will be started in 1960. The building will provide accommodation for the Department of National Revenue, income tax division; agriculture; citizenship and immigration; veterans affairs, and the unemployment insurance commission.

QUEBEC CITY—INQUIRY AS TO PROGRESS OF NEW POSTAL TERMINAL

On the orders of the day:

Mr. Wilfrid LaCroix (Quebec-Montmorency): Mr. Speaker, I wish to ask a question of the Minister of Public Works. Is it the intention of the government to proceed as soon as possible in connection with the construction of a postal terminal in Quebec?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, it may be that the hon. member for Quebec-Montmorency has not read the answer I gave to his question yesterday.

The difficulty is that the Department of Public Works has acquired a site and that site was approved by the municipal authorities of Quebec city with the exception of a planning board which apparently has certain overriding powers in that city.

When that situation arose an attempt was made to have the city acquire the site on which they wished to have the post office erected and then bring about an exchange of the two properties, but the proposed site which the city prefers is owned in part by the Canadian National Railways and I believe the C.N.R. station is located on that property. As yet the city and the Canadian National Railways have not been able to come to terms, and for that reason the Department of Public Works is held up and is unable to proceed with the construction of the building.

ROYAL VISIT

INQUIRY AS TO DISTRIBUTION OF FILM TO FILM COUNCILS

On the orders of the day:

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. Are any plans being made for the immediate release through the film councils across Canada of the film covering Her Majesty's visit to Ottawa?

Hon. E. D. Fulton (Acting Minister of Citizenship and Immigration): Mr. Speaker, I have not the latest reports on this matter but my understanding is that plans are being made for the release of the film as soon as possible. A review is being made of the script which will accompany the film. I understand the interest of the hon. gentleman, which will be shared, of course, by all the people of Canada. I can assure him that the release will be arranged for at the earliest possible date.

Mr. Byrne: Through the film councils?

Mr. Fulton: I will note the hon. member's interest.

GRAIN

REFERENCE TO ALLEGED SHORTAGE IN AUSTRALIA

On the orders of the day:

Mr. Louis Lewry (Moose Jaw-Lake Centre): I should like to direct a question to the Minister of Trade and Commerce. Is the minister aware of the grain shortage in our sister commonwealth nation of Australia? If so, has anything been done to assist in the sale or barter of Canadian wheat?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I have heard that drought conditions are affecting the agricultural areas of Australia but I do not quite follow the hon. member in the latter part of his question. I did not get the significance of it. Perhaps he would like to repeat the latter part of his question.

Mr. Lewry: I was wondering whether the government is doing anything to assist the commonwealth of Australia in getting rid of the drought?

Mr. Churchill: Mr. Speaker, we have not entered into the rain-making business yet, but perhaps the hon. member has some suggestion along that line.

[*Later:*]

Mr. Lewry: Mr. Speaker, may I follow up my first question in connection with the grain shortage in Australia and ask the Minister of Trade and Commerce whether the government will at this time accept so-called soft currency to overcome the Australian shortage of wheat and our surplus of wheat?

Mr. Churchill: I do not know how this would help Australia, if that is what the hon. member has in mind. They will be able to market all the wheat they have at their disposal. We have no trade with Australia in wheat.

LIVESTOCK

HOG CHOLERA—IMPORTS OF PORK FROM U.S.

On the orders of the day:

Mr. E. B. Huffman (Kent, Ont.): I should like to direct a question to the Minister of Agriculture arising out of the statement he

made yesterday regarding hog cholera in the Leamington district. Has there been any importation of pork into Canada from the United States and, if so, in what form? Does the United States hog producer use live serum for the control of cholera in that country?

Hon. Douglas S. Harkness (Minister of Agriculture): Mr. Speaker, I will take these several questions as notice and produce an answer at the earliest possible moment.

AGRICULTURE

BUTTER—GOVERNMENT PRICE ON SALES FROM STORAGE

On the orders of the day:

Mr. Jacob Schulz (Springfield): I should like to ask the Minister of Agriculture a question supplementary to the one I asked the other day. At what price is the government selling butter held in government storage to the trade at present?

Hon. Douglas S. Harkness (Minister of Agriculture): I wonder whether the hon. member would repeat his question. I did not get the significance of it.

Mr. Schulz: At what price is the government now selling butter held by it to the trade?

Mr. Harkness: I am not able to hear the hon. member. I will take note of his question in *Hansard* and answer it on Monday.

SOYBEANS—INQUIRY AS TO STORAGE

On the orders of the day:

Mr. E. B. Huffman (Kent, Ont.): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. Can the minister tell the house whether the government intends to provide adequate storage space for soybeans? My question arises from a communication directed to me by the Ontario soya-bean growers' marketing board.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I am aware of the situation with regard to the large crop of soybeans. The matter is being considered, and the hope is that adequate storage facilities will be available.

DOMINION-PROVINCIAL RELATIONS

DIRECT TAXES AND SUBSIDIES—POSITION OF QUEBEC GOVERNMENT

On the orders of the day:

Mr. Maurice Breton (Joliette-L'Assomption-Montcalm): I should like to direct a question to the Postmaster General. As he is an official representative for the province of Quebec in the cabinet, in view of the federal-provincial conference on fiscal relations that will be held next month can he tell us if he agrees with the well-known opinions of the Quebec government on matters relevant to direct taxes and subsidies?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, I have too much respect for the constitution to consider that I am any more an official representative from the province of Quebec than any one of the other 74 members from that province who have been elected by the people.

Mr. Martin (Essex East): There are not many in the government.

Mr. Hamilton (Notre Dame de Grace): Nor, on the other hand, do I feel that it is proper for me to comment in this house in the way requested on the policy of a provincial government.

(*Translation*):

Mr. Breton: Mr. Speaker, may I ask the hon. Solicitor General a question?

When sitting in the opposition the hon. Solicitor General has, on various occasions, given expression to the well-known thought that federal subsidies are unconstitutional. The opinion which he voiced then was shared in every way by the government of the province of Quebec. In view of the proposed federal-provincial meeting on fiscal matters, could he tell us now if he will oppose the subsidies which his government seems to be preparing at this time?

Hon. Leon Balcer (Solicitor General): Mr. Speaker, I would like to tell my hon. friend that I am still opposed to subsidies such as were proposed by the former government. As to his question, it seems to be a hypothetical one, but I am—

An hon. Member: A political one—

Mr. Balcer: And a political one, yes. I want to tell him that the proposals of the federal government are not yet known, but I am convinced that they will be made on a very different basis from those of the former government.

Mr. Gauthier (Portneuf): Careful now! Don't go too far!

(*Text*):

[*Later:*]

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask the leader of the government if the Solicitor General was correctly interpreting government policy when he foreshadowed an abandonment of

the equalization grant, as he did in the answer he gave to the hon. member for Joliette-L'Assomption-Montcalm?

Mr. Balcer: I rise on a point of order, Mr. Speaker. I am afraid the hon. member for Bonavista-Twillingate, although he is fluent in French, should brush up on it a little more, because he has not properly interpreted my answer.

Mr. Pickersgill: Mr. Speaker, did the hon. gentleman not say—I am directing this question to him—that the grants that were going to be proposed by his government would be different from those that had been proposed by the former Liberal government?

Mr. Gauthier (Portneuf): That is right.

Mr. Balcer: My answer was that the propositions of the federal government have not been formulated as yet, but I am sure they are going to be based on a different attitude toward the provinces from that of the last government.

Mr. Pickersgill: Mr. Speaker, I think this is the most important question that has yet been brought before the house. I have a supplementary question which I would like to address to the leader of the government. I feel that—

Some hon. Members: Question, question.

Mr. Pickersgill: I ask the leader of the government, is there any intention whatsoever on the part of the federal government to substitute something else for the equalization grants?

Hon. Howard C. Green (Acting Prime Minister): Well now, Mr. Speaker, I suggest that the hon. member for Twillingate-Bonavista—

Mr. Pickersgill: Bonavista-Twillingate.

Mr. Green: Oh, Bonavista-Twillingate—he is all twisted up anyway. I suggest that he has already had his answer from the Solicitor General and he should know better than anybody else in this house that announcements of policy will be made in due course by the government.

Mr. Pickersgill: I am quite satisfied with that answer.

(*Translation*):

Mr. Breton: Mr. Speaker, may I direct a question to the hon. Minister of Mines and Technical Surveys? The stand taken by the Quebec government being well known in connection with direct taxation and subsidies granted the provinces by the federal government, could he tell us whether, as the official representative of our province, he concurs in the opinions of the Quebec government about these matters?

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, I wish to thank the hon. member for Joliette-L'Assomption-Montcalm (Mr. Breton) for giving me notice of this question. I believe it is not appropriate, in view of the forthcoming federal-provincial conference, to answer this question or to express my opinion on this matter.

(*Text*):

HOUSE OF COMMONS

DISPOSITION OF SIMULTANEOUS TRANSLATION SYSTEM

On the orders of the day:

Mr. Maurice Breton (Joliette-L'Assomption-Montcalm): I have another question I should like to ask the Postmaster General. Since the government has disposed of the simultaneous translation system that was installed in the house for the benefit of the universal postal union, can the minister tell us to whom it has been sold and at what price?

Hon. W. M. Hamilton (Postmaster General): I should thank the hon. member for having given me notice of both his questions, which notice arrived just a moment ago. The simultaneous translation system which was installed in the house was developed and built by the Department of National Defence. It was installed in the House of Commons by that department, used for the purposes of the universal postal congress, and then taken back by the Department of National Defence which at all times retained ownership and possession of it. My understanding is that it is the intention of that department to retain it and keep it available for such conferences as it might be needed for.

If I may add one word, Mr. Speaker, because I have had comments and questions from several of the members, it should be pointed out that the simultaneous translation system which was installed in the house for the universal postal congress was on a temporary basis only and was for many reasons not suitable for permanent installation.

Mr. Breton: A supplementary question—

Hon. Leon Balcer (Solicitor General): Perhaps I can answer part of the hon. member's question. At the present time a committee is being set up to study the possibility of installing a simultaneous translation system in the House of Commons.

Mr. Breton: May I ask a supplementary question. The Postmaster General just said a system had been installed by the Department of National Defence, and an estimate made in March of last year of $30,000—

Some hon. Members: Order paper.

Mr. Bell (Saint John-Albert): Order paper; question No. 18.

(*Translation*):

Mr. Hector Dupuis (St. Mary): Mr. Speaker, I would like to put a supplementary question to the Solicitor General. From the answer he gave a moment ago, I understand that the government proposes to give special consideration to this matter of simultaneous interpretation. He told us a committee had been formed to study the matter. I would like to know when this body was set up and who are its members.

Mr. Balcer: Mr. Speaker, the original plan was to keep the simultaneous interpretation system which had been set up in this house for the universal postal congress. It was discovered that this system, having been used for simultaneous interpretation in four languages, was far too cumbersome and required the setting up of cabins for the interpreters. We therefore concluded that it would be impractical—

Mr. Dupuis: Do it with part of the $500 million you intend to save.

Mr. Balcer:—and could not adequately provide for a perfect simultaneous translation service. We have therefore decided to appoint a committee which I believe will be made up of the Speaker, representatives of the various parties and representatives of the departments concerned. I cannot say at this time who the members of the committee will be nor when their report will be ready, but you can be assured that instructions have been given to appoint a committee.

Mr. Dupuis: Mr. Speaker, if I am not mistaken,—it can be checked in *Hansard* tomorrow—the Solicitor General stated that a committee had been appointed. Well then, he did not answer my question, because I asked him when that committee had been appointed and who were its members.

Mr. Balcer: Mr. Speaker, the committee has been appointed or will be appointed shortly. The order has been given but unfortunately I am not aware of the choice made of the members of the committee. Moreover, I am not the one who has given the order—

Inquiries of the Ministry

Mr. Dupuis: When a person does not know about something, that person should not talk about it.

(*Text*):

PUBLIC SERVICE

PRINTING BUREAU—REPORTED REQUEST BY EMPLOYEES FOR INCREASE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Secretary of State. Has any action been taken with respect to the request of the printing bureau employees for a wage boost?

Hon. Ellen L. Fairclough (Secretary of State): I am afraid I do not understand the hon. member's question. I do not have a request in that form.

Mr. Knowles (Winnipeg North Centre): Did the Secretary of State not receive a request from the printing bureau employees to meet with her to discuss this matter?

Mrs. Fairclough: No, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Better see the Postmaster General.

HOUSE OF COMMONS—INCREASE IN SALARIES OF TEMPORARY STAFF

On the orders of the day:

Mr. J. T. Richard (Ottawa East): Mr. Speaker, I would like to direct a question to the Minister of Finance, or his parliamentary assistant or any suitable minister. Will the increase which was granted to the permanent staff of the House of Commons be granted also to the temporary staff? Has it been approved and will it be retroactive?

Hon. Ellen L. Fairclough (Secretary of State): I believe this is a matter under the jurisdiction of Mr. Speaker.

Mr. McIlraith: Oh, no.

Mrs. Fairclough: Oh, yes.

[*Later:*]

Mr. Speaker: If hon. gentlemen will permit me a word I would like to reply in particular to the hon. member for Ottawa East (Mr. Richard). The Speaker is not ordinarily asked questions and does not ordinarily make answers; nevertheless I understand the hon. member's question related to the increases in pay for the temporary sessional employees.

Mr. Richard (Ottawa East): Yes, Mr. Speaker.

Inquiries of the Ministry

Mr. Speaker: I can tell hon. members that increases corresponding to the other general increases are being attended to.

INDUSTRY

NOVA SCOTIA—EFFECT OF DOSCO PURCHASE ON COAL AND STEEL INDUSTRY

On the orders of the day:

Mr. A. J. MacEachen (Inverness-Richmond): I should like to direct a question to the Minister of Mines and Technical Surveys. Can he tell us whether any studies have been made by the department to determine the possible effect of the purchase of Dosco by A. V. Roe on the Nova Scotia coal and steel industry?

Hon. Paul Comtois (Minister of Mines and Technical Surveys): I shall take note of the question and an answer will be given at the first opportunity.

Mr. Robichaud: May I ask a supplementary question. Is the minister not aware of the situation?

POWER

DISPOSITION OF DOWNSTREAM BENEFITS IN INTERNATIONAL WATERWAYS

On the orders of the day:

Mr. J. A. Byrne (Kootenay East): I would like to address a question, Mr. Speaker, to the Minister of Northern Affairs and National Resources. Can the minister tell us the progress of the high level discussions between Canada and the United States with respect to the disposition of downstream benefits in the international waterways; that is to say, the whole of the international waterways?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): In view of the importance of this matter to the people of Canada I would like to make it very clear that at this time, in the public interest, there will be no statement from the government.

Mr. Byrne: The order in council sets out the terms of reference and—

Some hon. Members: Question, question.

Mr. Byrne: —refers to the international joint commission relating to waters crossing the international boundary and the development of electrical energy therefrom. I would like to ask the minister whether these negotiations are being transferred back to the international joint commission or are they remaining on the high diplomatic level on which they were.

[Mr. Richard (Ottawa East).]

Mr. Hamilton (Qu'Appelle): Mr. Speaker, in answer to the supplementary question I would like to say that there will be a statement by this government, not at this time, but that the statement will give all the answers and information which it is necessary for the people of Canada to know with regard to these discussions.

Mr. Byrne: The country is definitely interested in this question and I would like to ask that at least on Monday or Tuesday the minister be in a position to tell us whether or not the negotiations have been transferred back to the international joint commission. This is a very important question, and does not require any study.

TRANSPORT

ALBERTA-NORTHWEST TERRITORIES—RAILROAD CONSTRUCTION SURVEY

On the orders of the day:

Mr. M. A. Hardie (Mackenzie River): Mr. Speaker, can the Minister of Transport inform the house if surveys are going on at the present time in regard to the construction of a railroad from the province of Alberta to the south shore of Great Slave lake in the Northwest Territories?

Hon. George H. Hees (Minister of Transport): The answer, Mr. Speaker, is no.

[*Later:*]

INQUIRY AS TO APPOINTMENT OF CONTROLLER

On the orders of the day:

Mr. J. A. Smith (Battle River-Camrose): Mr. Speaker, I would like to direct a question to the Minister of Transport, but since he is not in his seat perhaps his parliamentary assistant would take it as notice. Has the Minister of Transport given any thought to the appointment of a transport controller with the authority and responsibility of seeing that there is an equitable distribution of box cars in western Canada at all times?

Mr. A. R. MacDonald (Parliamentary Assistant to the Minister of Transport): Speaking on behalf of the minister I will take the question as notice and advise that a reply will be forthcoming as soon as possible.

NATIONAL REVENUE

RED DEER, ALTA.—ESTABLISHMENT OF HIGHWAY SUFFERANCE WAREHOUSE

On the orders of the day:

Mr. F. D. Shaw (Red Deer): Mr. Speaker, I wish to direct a question to the Minister of National Revenue, notice of which has been

given. Have representations for the establishment of a highway sufferance warehouse in the city of Red Deer been received by the minister? Has a decision been rendered, and if so what was the nature of that decision?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I thank the hon. gentleman for having given me notice. The answer is: Yes, the establishment of a highway sufferance warehouse has been approved in principle, pending submission of warehouse plans by the applicant for final approval.

INCOME TAX

ALLEGED FEE-SPREADING BY SOME MEMBERS OF MEDICAL PROFESSION

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I would like to ask a question of the Minister of National Revenue. Is a thorough investigation into fee-spreading or "kick-back" now under consideration or is any action being taken because of disclosures recently made and the income tax return manipulations by certain persons in a certain section of the medical profession?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I have had no notice of this question and I would like to get the full import of it, but if I understand the general import it would imply a disclosure of information with respect to the affairs of taxpayers which, of course, would be contrary to public policy and which I would not consider.

Mr. Sinclair: It has all been in the papers, names and all.

LABOUR CONDITIONS

MONTREAL—UNEMPLOYMENT FIGURES FOR 1956-57

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): I wish to ask a question of the Minister of Labour. How many people are registered as unemployed in Montreal? Could I also, perhaps, have the comparative figures for the same period last year?

Hon. Michael Starr (Minister of Labour): I will take the hon. member's question as notice and get the information for him.

R.C.A.F. DEPOT, MONCTON—REQUEST FOR INCREASES IN PAY

On the orders of the day:

Mr. Henry Murphy (Westmorland): Mr. Speaker, I would like to direct a question to the Minister of Finance or to his parliamentary assistant. Perhaps the question could be taken as notice. Will the government consider an increase in the rates of pay for labourers and mobile equipment operators and mechanics at No. 5 R.C.A.F. depot in Moncton, New Brunswick?

Hon. Howard C. Green (Acting Prime Minister): Mr. Speaker, we will take that question as notice.

UNEMPLOYMENT INSURANCE

EXTENSION OF BENEFITS TO FARM WORKERS

On the orders of the day:

Mr. Rodolphe Leduc (Gatineau): Mr. Speaker, I would like to direct a question to the Minister of Labour. Is it the intention of the government at this session to amend the Unemployment Insurance Act in order to extend the benefits of unemployment insurance to farm employees?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the answer is no. Because of the shortness of this session and the great deal of consideration that must be given to the study of this act there is no intention to have the act reopened during this brief session of parliament.

Mr. Marler: Who said it was going to be short?

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I would like to direct a supplementary question to the Minister of Labour. I noticed he used the words "shortness of this session". Does the minister not agree that parliament and only parliament determines the length of a session, or is the minister aware of any plan on the part of the government to obtain dissolution at a certain date? If so, will he tell us what that date is?

Mr. Speaker: That hardly appears to me as a question which is asking for information.

EXTENSION OF PERIOD OF BENEFITS TO UNEMPLOYED

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, may I ask a question supplementary to that asked by the hon. member for Gatineau (Mr. Leduc). Is it the intention of the minister or his department to extend the period of benefits to the unemployed under the Unemployment Insurance Act?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, that matter is being given serious consideration by the unemployment insurance commission. As soon as we have a report the government will decide what action to take in that matter.

Inquiries of the Ministry

NORTHERN AFFAIRS

NORTHWEST TERRITORIES—REPORTED DEPLETION OF CARIBOU POPULATION

On the orders of the day:

Mr. M. A. Hardie (Mackenzie River): Mr. Speaker, I would like to direct a question to the Minister of Northern Affairs and National Resources arising out of a report by his department concerning the serious depletion of the caribou population in the Northwest Territories. Of course this report substantiates the warning I gave this house over a year ago.

Some hon. Members: Question.

Mr. Hardie: You will get the question. This report stated—

Some hon. Members: Order.

Mr. Hardie: This report stated—

Mr. Speaker: Order. Would the hon. member put his question.

Mr. Hardie: Very well, Mr. Speaker. I would like the minister to tell me if it is true, as this report stated, that restrictions against the hunting of this animal by native Indians and Eskimos were being considered by his department, because I am sure—

Mr. Hamilton (Notre Dame de Grace): You have asked the question; now stop.

Mr. Hardie: I am sure it is not a question of this department ruling on it in any event, because it is the function of the Northwest Territories council, but should the council pass legislation—

Mr. Speaker: Order. It is very interesting information that the hon. member is giving the house, but as I understood it his purpose in rising was to ask a question.

Mr. Hardie: Mr. Speaker, I just got to my question. Should the Northwest Territories council pass legislation restricting the hunting of this animal by Indians and Eskimos, could the minister advise me what ways and means are being considered to supply these people with meat?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, in answer to the hon. member's hypothetical question I would like to suggest that we will wait until that circumstance arises.

Mr. Hardie: A supplementary question, Mr. Speaker. Does the minister consider that waiting until legislation is passed by the Northwest Territories council is going to solve the problem of feeding these people when it does happen?

Some hon. Members: Order.

[Mr. Starr.]

HEALTH INSURANCE

MANITOBA—INQUIRY AS TO DISCUSSIONS WITH FEDERAL AUTHORITIES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. Since he assumed his portfolio on August 19—

Hon. J. W. Monteith (Minister of National Health and Welfare): August 22.

Mr. Knowles (Winnipeg North Centre): Since August 19 when the Prime Minister announced that the minister would be given the portfolio, which I understand he assumed on August 22, have there been any discussions between the government of Manitoba and the minister with respect to the possibility of that province coming into the national hospital insurance plan? If so, what is the status of those discussions at the present time?

Mr. Monteith: There have been no discussions, Mr. Speaker. There has been some correspondence between my department and the minister of health of Manitoba.

Mr. Knowles (Winnipeg North Centre): Would the minister be prepared to table copies of that correspondence?

Mr. Monteith: Yes, Mr. Speaker, providing I have the approval of the provincial government involved.

CROWN CORPORATIONS

STATEMENT ON DIRECTORSHIPS HELD BY OFFICERS

On the orders of the day:

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, yesterday the hon. member for Winnipeg North Centre (Mr. Knowles) directed the following question to me:

> Can the minister now assure the house that there are no instances of heads of crown corporations being at the same time directors of private companies or corporations?

The answer is that in so far as the heads of those crown corporations which report to parliament through me as Minister of Trade and Commerce are concerned, there is one who is also a director of a private corporation.

Dr. C. J. Mackenzie is president of the atomic energy control board. He was formerly the president of the national research council and president of Atomic Energy of Canada Limited. After relinquishing his duties as president of these two organizations, and before he was appointed president of the

atomic energy control board, he accepted a directorship with Canadian Chemical and Cellulose Company. He receives no pay whatever from the atomic energy control board.

NATIONAL DEFENCE

REPORTED TRANSFER OF RESERVE ARMY TO CIVIL DEFENCE ROLE

On the orders of the day:

Mr. W. J. Henderson (Kingston): Mr. Speaker, may I direct a question to the Minister of National Defence in view of his statement appearing at page 37 of *Hansard* for October 16, to the effect that in the training period for the non-permanent militia starting October 1 emphasis will be given to civil defence. May I ask the minister whether literature, directions for courses of study, equipment and instructions have been provided to the militia to carry on its training to date with emphasis on civil defence?

Hon. G. R. Pearkes (Minister of National Defence): The annual training instruction to which I referred described in general terms the type of training which was to be carried out by the militia in connection with the civil defence duties; in particular, it laid down that certain staff discussions would take place with civil authorities. It directed that study should be given to the application of corps training to civil defence requirements, and also that there should be mobile support group exercises. Beyond that, there has been a block syllabus of some 60 periods based on the civil defence précis which have been issued. Furthermore military publications dealing with first aid, traffic control and radiation monitoring have been issued. I think that covers in general the publications which have been issued. These will be followed up by further instruction as the training proceeds.

Regarding equipment, no special equipment has been issued as yet to army units. This matter is under consideration with the civil defence authorities, who in the past have been responsible for the issue of such equipment.

A large number of militia officers have attended the civil defence college at Arnprior over a considerable period of time. It is hoped that it will be possible to step up the attendance at these courses by other militia officers, non-commissioned officers and men.

COMBINES INVESTIGATION ACT

BRITISH COLUMBIA—STATEMENT ON FISHERMEN'S UNION

On the orders of the day:

Hon. E. D. Fulton (Minister of Justice): Yesterday the hon. member for Comox-Alberni (Mr. Barnett) asked the Minister of Fisheries whether he had taken any steps to terminate the investigation into the affairs of the united fishermen and allied workers' union of British Columbia by the combines investigation branch. The Minister of Fisheries promised a reply today, and since the combines branch is under my department he asked me to reply.

The investigation referred to is an investigation into the production, purchase and sale of fish in the province of British Columbia, which was commenced by the director under the Combines Investigation Act as the result of a formal complaint under the act. The matter has been the subject of considerable previous discussion in the house, particularly between the hon. member who asked the question yesterday and my predecessor in the former government.

The position is that no steps have been taken by the minister to terminate the investigation because, under the present legislation, the minister has no authority to direct that an investigation be discontinued. The terms of the act require that the director in such a case as this:

> . . . shall cause an inquiry to be made into all such matters as he considers necessary to inquire into with the view of determining the facts.

Such an inquiry then proceeds until, again in the words of the act:

> . . . the director is of the opinion that the matter being inquired into does not justify further inquiry—

—or until the inquiry culminates in a written report by the restrictive trade practices commission to the minister. The minister himself, by the legislation, is given no authority to terminate the investigation.

Hon. James Sinclair (Coast-Capilano): May I ask a supplementary question of the minister regarding the investigation by the combines branch into the activities not just of the fishermen's union but of the fishing industry as well in British Columbia. I appreciate the position taken by the minister that he cannot interfere, but can he ask the director of combines to speed up the investigation, since it has now dragged on for over a year?

Mr. Fulton: Mr. Speaker, in that connection I should advise the hon. gentleman that although the formal application was received in November, 1955, the inquiry had to wait several months to be placed on the agenda. After it was so placed the union brought action for an injunction which had the effect of delaying the investigation further. Then the selection of a time for calling witnesses which would not interfere unduly with the fishing season caused further delay, and as a result witnesses are being called before the restrictive trade practices commission this month in Vancouver.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Thursday, October 17, consideration of the motion of Mr. A. R. Smith (Calgary South) for an address to Her Majesty the Queen in reply to her speech at the opening of the session, and the amendment thereto of Mr. Coldwell.

Mr. M. J. Coldwell (Rosetown-Biggar): I watched events in the house yesterday with a great deal of interest. As a matter of fact, as I sat patiently through the whole day waiting to begin my speech one of the things that struck me was this. On Wednesday last the Prime Minister stated that he would introduce legislation to do away with closure in this house. I may say at once that I think under some circumstances a government has the right to use closure. Under circumstances that existed in the summer of 1956 that right, or that privilege, was abused, but I believe in straightforward closure when justified.

I do not want to see this house gagged indirectly. Yesterday two ministers gagged this house. When the Minister of Transport rose to answer quite a proper question from the opposition side of the house I saw the Minister of Finance gesture and order the Minister of Transport to sit down and not answer that legitimate question. I also saw my hon. friend from Winnipeg North Centre (Mr. Knowles) and others ask the Minister of National Health and Welfare (Mr. Monteith) questions that were perfectly legitimate and which he should be able to answer after two months in office as minister, and I saw the Minister of Finance order that minister to remain silent.

Mr. Fulton: Nonsense.

Mr. Coldwell: Last night I rose to discuss a matter of important business and the Minister of Public Works immediately rose in an attempt to gag me from following that course.

Mr. Green: Mr. Speaker, on a point of order; the hon. member for Rosetown-Biggar well knows I rose on a point of order. Every time a person rises on a point of order is he to be considered as attempting to gag somebody? I suggest that is not in line with the usually very fair comments made by the hon. member.

Mr. Coldwell: May I say this—

Mr. Green: I raised the point of order simply because I thought it was my duty to do so, and I am sure the hon. member will accept that statement.

[Mr. Fulton.]

Mr. Coldwell: May I say this to the minister. He has been in the house as long as I have been here, 22 years. He knows the rules of the house; he knows that a point of order should not be raised on a matter which is not before a court of record. That is my point, but I take his explanation. I thought he was trying to stop me from following up a matter which the government does not want brought before the house at this time.

Yesterday at the conclusion of my remarks I began to discuss the trans-Canada pipe line. I want to make it very clear that I am in favour—and so is my party—of transporting gas from the gas fields of Alberta, or anywhere else, to the users in eastern Canada or anywhere else, provided it is done in the public interest, in the interest of the consumers as well as in the interest of those who produce the gas wherever it may be found. We are in favour of that.

I raise the question of the trans-Canada pipe line today because that pipe line will remain the property of the people of Canada for a long period of time. It is being constructed, it is being paid for by the Canadian people and then leased. We objected to the lending of money to a private corporation to build the first leg of the pipe line as far as Winnipeg, and I think the government still has the right and should exercise it to expropriate that leg of the pipe line which the people of Canada financed. At the time the Conservative party agreed that the people of Canada were financing it for a private and very largely alien-controlled corporation.

The profits that accrue from that public utility should accrue to the people of Canada and not to any group of private promoters who, as late as February of 1957, were described by the present Prime Minister (Mr. Diefenbaker) as "buccaneers". When he was somewhat taken to task in the house by the then minister of trade and commerce, Right Hon. C. D. Howe, he defined what he meant by "buccaneers" when he used the word. I find the definition he gave at page 1607 of *Hansard* of February 25, 1957, and it is in these words:

> A buccaneer is one who reaps a piratical profit without any danger or fear to himself. It is in that sense that I use the expression.

But the present government apparently is quite content to allow men whom the Prime Minister described as buccaneers to reap a piratical profit. They have already reaped huge profits without any danger or fear to themselves.

I said last night that while I welcome the appointment of a royal commission I deplore the fact that it now appears quite evident

that the government's intentions and, indeed, the Conservative party's sincerity in June, 1956, can be questioned. Their whole attitude in that debate can be questioned unless they take action to prevent these buccaneers from reaping the profits that will accrue because of the expenditures made by the government and the people of Canada.

What did the Prime Minister say in that debate? He said a lot of things. I have the Hansards here. When he spoke in the debate on May 17, 1956, he said, as found at page 4032 of *Hansard:*

> The perquisites here—

I think that must be a typographical error. I think the word should be "prerequisites" and not "perquisites". I continue:

> —are that the Prime Minister (Mr. St. Laurent) should abdicate his belief in democratic principles and deny those in opposition the right to advance their arguments and to educate public opinion or to find out why there is such solicitude on the part of the members of this government. For five long years this pampered pet—

This is what the present Prime Minister said.

> —Trans-Canada Pipe Lines, by deviation, by change of direction, by protestation, by alteration in course, has postponed that estimable end of securing a market for Alberta gas and the making available to other parts of Canada of that necessary form of energy. I ask the Prime Minister today to tell this house why he is so fearful of the facts; why he was afraid to allow the true facts of this nefarious scheme to be elucidated? I ask why he found it necessary, and the members of his government found it necessary, to muzzle the representatives of the people in advance of anything in the nature of a filibuster or an interference on the part of the opposition with the policy and program of the government. I ask him to explain that today, for certainly the day of silence is past. Are they afraid of the truth over there? Is that why they hide behind the caricature of parliament which they have substituted by the adoption of the parliamentary form of closure in a way that it has never been adopted before?

A caricature of parliament, a nefarious deal. I ask the government today if the Prime Minister stated the opinion of his party at that time when he said this was a nefarious deal. If he did state their opinion the facts which brought him to that opinion are facts that are there today; and if the facts are as he believed and indicated them to be, then the present government should not allow Trans-Canada Pipe Lines to operate the line across northern Ontario. Indeed, they should go further than that. They should restore to the people of Canada ownership and control of that portion of the pipe line which was alienated from the people of Canada by money provided by this parliament. That is their clear duty.

The Minister of Public Works (Mr. Green) spoke at some length regarding this same proposition. I am not going to quote him at the great length I have quoted the Prime Minister. As found at page 3955 of *Hansard* of May 15, 1956, the Minister of Public Works said:

> I conclude my remarks by this statement, and I make it after careful consideration. I believe that this measure now proposed by the government is the greatest betrayal of the Canadian people since confederation.

What is he doing about it now? If he believes that this was the greatest betrayal of the Canadian people since confederation then he should restore to the people the utility with regard to which he says the former government betrayed the trust of the people of Canada. That is the clear duty of the Minister of Public Works, particularly in the capacity in which he now finds himself.

Then we have the present Minister of Finance (Mr. Fleming).

Mr. Byrne: This will be good.

Mr. Coldwell: Well, it is a very short quotation and is to be found at page 3935 of *Hansard* of May 15, 1956. He referred to the trans-Canada pipe line as "this infamous proposal". Infamous proposal. Now the government is apparently quite content to go along with this nefarious deal, with this group of buccaneers, and to carry out this infamous plan, this infamous proposal. I say that if they do so there has never been a greater betrayal of the Canadian people by a government than the betrayal that the present government of Canada contemplates.

May I say, Mr. Speaker, that one can question their sincerity. How they made the halls across this country ring. How television portrayed the Prime Minister denouncing the Trans-Canada Pipe Lines deal, denouncing the destruction of parliament because of the manner in which it was done. I say that unless they rectify the situation they will have done more to destroy parliament than even the previous government did, because they will have betrayed the trust that the people of Canada had in them when they elected them on June 10. Again, the Minister of Finance had this to say a little later, as found at page 4694 of *Hansard* of June 5, 1956:

> Well, sir, it seems now we are narrowed down to a choice between two courses, the government's iniquitous proposal to hand over to Trans-Canada Pipe Lines Limited great sums of public money to help them out and public construction of the entire line.

Apparently the present government is quite willing to go ahead and finance, by public money, the construction of the entire line in northern Ontario, which has just begun and which the present Minister of Finance described as an iniquitous proposal. He will be the minister controlling the finances of this country. He will make the necessary

financial arrangements in order that the iniquitous proposal can be carried out. Was there anything more insincere than that?

Then the Prime Minister spoke on May 29, 1956, at page 4423 of *Hansard* for that date. He said:

> What have you been doing for five long years? Playing around with this corporation, with these adventurers from Texas and New York trading away Canada's natural resources at the expense of the Canadian people.

This is the Prime Minister of the present government which has the power to prevent this being done. Are they going to use that power, or are they going to betray the Canadian people to the adventurers from Texas and New York, the buccaneers as the present Prime Minister called them on one occasion? At one time he referred to the pipe line proposal as "this ramshackle caricature of national development". Yet he and his colleagues have the nerve to set up a royal commission to inquire into this ramshackle caricature of national development, under the guise that this is part of the Conservative policy on national development which they tried, and probably successfully, to sell to the people of Canada prior to June 10.

There is another aspect of this with which I intended to deal last night. Perhaps I would not have put on the record today just what I have put on the record if it had not been for the interruptions in my address last evening. I am thinking of government action to prevent the promoters of pipe-line companies from making millions of dollars at the expense of the public of Canada. Of course, they have already made many millions of dollars by having allotted to them promotion shares, about which the people knew nothing and about which this parliament knew nothing, at prices that were so small. Perhaps it is already too late to catch the real culprits in this matter. Certainly it will be even later if the government waits for the many months or years it may take the royal commission to make its report.

Those of us who know the history of the North American continent remember that in the early years of the oil and railway industries the robber barons, as they called them, built up for themselves huge fortunes. We are allowing a few people in this country, and their friends across the line, to follow the examples of these robber barons. The government, which shared these views with me and those associated with me, are now in the seats of power and are apparently prepared to betray the Canadian people to these robber barons or these buccaneers, as the Prime Minister referred to them.

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

Mr. Coldwell: Yes.

Mr. Pickersgill: If I understood him correctly the hon. gentleman said there were promoters of this enterprise who were able to buy stock at prices about which this parliament was never told. I am sure the hon. member does not recall—I am asking him if he does not recall—that his seat mate pointed out that this information was in a return which was made to this house before this measure was ever voted upon?

Mr. Coldwell: My hon. friend and seat mate pointed out that that return was available ten months later, when he raised the matter on the floor of this house in February of this year. As a matter of fact I went through the documents in connection with this whole deal very carefully. I went into the agreement, which was never attached to the bill as an appendix, as it should have been.

Mr. Pickersgill: It was tabled in the house.

Mr. Coldwell: It was tabled in the house; quite right. I managed to get a mimeographed copy of it, but some of the members of the house never saw the agreement.

Mr. Pickersgill: This was all in the agreement, was it not?

Mr. Coldwell: No, it was not in the agreement. I can say that.

Mr. Pickersgill: Oh, yes, it was.

Mr. Coldwell: However, I am not going to argue with my hon. friend at the moment. I am arguing with the new government of Canada, so allow me to argue with them.

I want to take a look at a few of these people to whom reference was made in connection with Trans-Canada Pipe Lines. There was another outfit which was headed by a gentleman named McMahon. Those of us who were in the house will remember the name McMahon. Mr. McMahon was to have been the chosen instrument of the Conservative party if some of their front bench members had had their way. I said at the time that I agreed that Mr. McMahon's operations certainly did not recommend him to parliament and the people of Canada. I think that is quite right. For example, let us see what he has done with the Westcoast Transmission Company. Let me say that when I first made these computations some months ago the results, of course, were very much higher than they were yesterday when the computations were revised, because there has been a significant fall in the stock market

during the last three months. However, even revising these figures at present stock prices, the profits made by Mr. McMahon and his associates are still enormous, just as the profits made by the Trans-Canada Pipe Lines interests were enormous. May I add that these shares were very largely unloaded at high prices on smaller investors in Canada and elsewhere. They have seen their investments diminish in value since.

I am quite happy that my colleagues, during last session, were able to prevent the splitting of the shares of Trans Mountain Oil Pipe Line Company because, had the company been able at that time to split the shares which were then worth $124 five ways, making them worth approximately $25 each, the people today would find they had shares valued at less than $12, because yesterday the shares were selling at $58. Hon. members will recall that the president of Westcoast Transmission was Mr. Frank McMahon, the favourite of the Conservative party in June, 1956. Mr. McMahon was in a very fortunate position throughout these operations. He was an insider. He was able to obtain the common stock of this company at a special price, indeed at only 5 cents—make no mistake—5 cents a share for stock that was offered to the public at $5 a share and which today is selling at $27.50.

He bought 155,000 shares at that price of 5 cents. These cost him in the neighbourhood of $7,700, and for that investment he acquired an equity worth over $4 million. I repeat, an investment of $7,700 at 5 cents a share brought $4 million of equity.

In addition the same Mr. McMahon, whom some members of the Conservative party would have brought into the picture in preference to Mr. Tanner and the gentleman from Texas, Mr. Coates, was granted options on 200,000 additional shares to be purchased at any time before January 31, 1960, at $6 per share. This stock is now selling, as I have said, for $27.50. In other words he could invest a part of the tremendous capital gain he has already made, even under present comparatively depressed prices, to realize a further capital gain today in excess of another $4 million. Surely it does not take a royal commission to establish the vicious exploitation by these robber barons of the Canadian people which is taking place in the gas and oil industry.

I say it is the duty of this parliament to protect the people of Canada from exploitation and raids of this description, and the present government has taken office because many of the people in Canada believed that this government would do just that. Now it is clearly prepared to betray the Canadian public in this regard.

This kind of thing is something that has happened in any pipe line company that one might name. I referred to the Westcoast Transmission Company Limited. Mr. McMahon is not the only person to make tremendous capital gains on this company's stock. For an initial investment of something like $20 million the stockholders of this company acquired shares now worth $125 million, or a capital gain of $105 million. I will just mention also Trans-Canada Pipe Lines Limited, which stock originally sold for $54 million and is already worth $124 million, or another capital gain of $80 million.

An hon. Member: Tax free.

Mr. Coldwell: Yes, of course, tax free; and I am dealing, with the stock that was sold to everybody. I am not talking about Mr. Tanner's options or Mr. Coates' options and I am not, in another field, talking about some of the stock that sold in some other companies at four-fifths of a cent to insiders, out of which they have made hundreds of thousands of dollars. I am talking about shares that have been put on the market since. There is Trans Mountain Oil Pipe Line Company, to which I referred a moment ago. The stock purchased in this company by a few large United States corporations at $10 per share is now selling at $59. In other words the value of the stock has climbed from $15 million to $89 million, or another capital gain of $74 million. There is the case also of the Interprovincial Pipe Line Company, where the stock was originally sold for $44 million and now has a market value of $192 million, or a capital gain of $148 million. I am using the current price of the stock, not the high prices at which a lot of this stock changed hands, from the promoters to the public, until the drop last July.

Now, to take a couple of smaller companies like the Alberta Gas Trunk Line which owns lines in the province of Alberta gathering the natural gas for Trans-Canada Pipe Lines Limited, the stock here sold for a total of approximately $13 million and is now worth about $33 million, or a capital gain of $20 million.

Mr. Hahn: To the people of Alberta.

Mr. Coldwell: I am not complaining about the little fellow getting any of this; I am complaining about the great big fellows.

Mr. Hahn: But he is the one who got it.

Mr. Coldwell: I am fair—I am fair—

Mr. Hahn: In principle it was the little fellow who got it.

Mr. Coldwell: I say that the thing to have done would have been to make this available to all the people of Alberta, even those who had no spare dollars to invest, and give them an opportunity of receiving a return on what was called by Mr. Aberhart their cultural heritage.

Mr. Hahn: That is what they did this year.

Mr. Coldwell: —which they have been alienating—

Mr. Argue: Twenty-two dollars.

Mr. Shaw: How much did Saskatchewan pay?

Mr. Coldwell: —which they have been alienating to promoters almost ever since they took office, under false pretenses, in 1935.

Mr. Low: While you are at it, why don't you tell the house about your cement company in Saskatchewan?

Mr. Coldwell: Certainly I will. I do not want to interrupt what I am saying to do that, but I am going to say that the Saskatchewan cement company bonds, which were guaranteed by the province, required that that company pay 2 per cent for the guarantee of those bonds, and the government was adequately protected in the deal which was made with the cement company.

Mr. Low: And the promoters made $2½ million.

Mr. Coldwell: Well, the promoters may have made something on it.

Mr. Low: It was exactly the same thing.

Mr. Coldwell: No, it is a very different problem.

Mr. Low: The principle is exactly the same.

Mr. Coldwell: May I say this, and I want to make this very clear. I am not opposed to persons who invest risk capital getting a return for the risk they take. What I am opposed to is giving the natural resources of Canada to groups of promoters who take no risk—I repeat, take no risk—and make hundreds of millions of dollars out of the people of Canada.

There is also Quebec Natural Gas Company which is to retail natural gas to the Montreal area. That stock was sold for about $1 million and it is now worth $24 million, or a capital gain of $23 million. I could go on; there are the Union Gas Company of Ontario, Consumers Gas Company of Toronto, Northern Ontario Natural Gas, which hold franchises throughout northern Ontario, and what has been done in that connection will not bear examination.

Just taking the six companies I have mentioned there is a total original investment of $148 million now worth $598 million or nearly $600 million. The point I am making is this, that this has been made possible not by those people, in the main, taking all the risk, but because Canada took the risk. Canada, in part, put up the money for the initial steps and the present government of Canada is going to put up the money to build the pipe line for them all across northern Canada. They will reap any profits that accrue from the flow of gas in that pipe line.

We can be sure that taking the other companies into account, there have been capital gains of more than half a billion dollars. I could go on of course to elaborate further, but I say to the government, surely this is something that calls for immediate action, particularly in view of their record in the house during the pipe-line debates of 1956. Instead of any kind of equivocation or abdication of responsibility properly theirs, and which they assumed when they so bitterly opposed the Trans-Canada Pipe Line deal in 1956, I say that action should be taken now to stop the carrying out of the deal as far as we are able to do so.

Second, it is about time the government of Canada instituted a capital gains tax. A capital gains tax would bring back to the people of Canada some of those immense speculative profits, as well, of course, as bringing the pipe-line companies over which we have jurisdiction under public ownership and control. These are, after all, public utilities to the same extent as the great system of hydroelectricity in Ontario of which this province is so proud and which, I would remind the Conservative party, was established by a great Canadian, Sir Adam Beck. But perhaps the Conservative party may have changed since it added the word "Progressive" to its name, though it is, in any case, a strange combination of names. Yes, the Ontario hydroelectric system of which the people of that province are so proud was promoted by Sir Adam Beck but built by a Conservative government of that province.

It may be said by somebody, in connection with all this, that there may very well be some Canadian control over these companies. I notice that the Minister of Public Works dealt with that matter in the House of Commons during the debate in 1956. On page 2195 of *Hansard* he discounted a statement

made by the Minister of Trade and Commerce very well indeed. On March 15, 1956, he said:

> The minister has said that shares are to be offered to the Canadian public. He might have gone on to point out that even though several thousand individual Canadian shareholders bought up to 51 per cent of the shares, which is most unlikely—

Of course it has not happened.

> —there would be no possible chance that they could overrule these three great United States companies—The Delhi Company is also a United States company—working together as a closely knit unit. It is absolutely fantastic to suggest that private Canadian shareholders would have the slightest chance of controlling the company. Control rests with these United States companies and it is going to remain there unless the government makes some change in its policy.

I say those words are as true today as they were in March, 1956. What steps will the Conservative government of Canada, which so bitterly opposed this bill when in opposition, take to ensure to the people of Canada the public use, public control and public profit with regard to these utilities which the people of Canada have financed already, in part, and which they will finance to an even greater extent when the pipe line goes forward. It is not yet built. We have an opportunity now. I challenge the government to seize that opportunity and to do the right thing in this regard.

Having said this, I want to put on record again the amendment I moved to the speech from the throne, because now, I think, it may be better understood than when I introduced it on Wednesday afternoon, wishing to make sure that the amendment would be introduced that day:

> This house welcomes the measures indicated in the speech from the throne and urges that these measures be placed before parliament with the least possible delay in order that the benefits proposed therein might accrue to the Canadian people at once. We respectfully submit, however, that in the opinion of this house Your Majesty's advisers should give immediate consideration to the advisability of taking steps to deal with the menace of inflation, rapidly rising unemployment and other serious problems facing this country. We call upon the government to give immediate effect to the social and economic planning necessary to cope with these problems.

As clearly as I am able, I have pointed out to the government what in my opinion is its duty in this regard. I wish to reiterate, before I sit down, that we welcome the measures announced in the speech from the throne, measures which we—though not we alone—have long advocated, namely an increase in the pensions provided for our senior citizens, an increase in disability pensions, an increase in pensions for the blind, an increase in pensions for our war veterans, some steps toward a stabilization of agricultural prices to prevent a continuance of the price-cost squeeze from which the farmers right across Canada are suffering acutely, advance payments on farm-stored grain and so on.

Mr. Speaker, I have taken more time than I have ever taken on any occasion in this house. I hope hon. members will forgive me, but I had the right to do so, moving as I did this amendment. For the first time I have taken advantage of this because I felt that the problems I wished to bring before the house on behalf of my colleagues as well as myself were of sufficient importance to merit devoting so much attention to them.

Mr. J. A. Simmons (Yukon): Mr. Speaker, I wish to take this opportunity to make a short statement on my position as member of parliament for the Yukon Territory.

Shortly after the result of the general election had been announced my Conservative opponent challenged the legality of the election on the grounds that there were irregularities in the taking of the vote. The charge was heard before two judges, as provided for in the Dominion Controverted Elections Act. Last week they gave their decision, to the effect that irregularities had taken place in the taking of the vote and that the election should be voided.

I should add, Mr. Speaker, that the judges found no evidence of fraud or corruption, but merely of minor technical irregularities committed by the supporters of both candidates. I am afraid that our ways in the Yukon are more casual than in the more densely populated areas of Canada, and we have generally been more concerned with the spirit rather than the letter of the law. An election act designed for taking the vote in southern Canada is not necessarily the best way to get out the vote in the vast reaches of the Yukon Territory. Because of our sparse population, everyone knows everyone else, and so the special identification requirements of residents not on the voters lists are scarcely needed in the Yukon. Therefore I would respectfully suggest that the elections act be amended to remedy these special problems peculiar to the northland.

Perhaps the house would be interested in the type of irregularities discovered. For example, a clergyman resident in Whitehorse preached in Mayo Landing, a settlement 250 miles north of Whitehorse, the Sunday before the election and cast his vote there, as he would not be back in Whitehorse until after election day. Another clergyman of a different faith cast his vote at the proper poll, but the poll was a divided one and the ballot was put in the wrong box. There were many

others in the same position as the clergyman I have just mentioned who were absent from their normal places of residence, but who voted at polls in the communities they happened to be in on June 10.

Disfranchisement of our citizens in my opinion is not the intention of the act. Every Canadian no matter where he lives in Canada should be given every opportunity to exercise his franchise. When such errors could be made in good faith by clergymen, it is easy to understand why other minor technical errors were made by other persons.

I have the right to appeal the decision of the judges to the Supreme Court of Canada, and to hold my seat until their decision is reached. I have decided, however, not to exercise this right but to accept the judgment of the lower court and vacate my seat when the court order is formally received by Mr. Speaker.

I do this, Mr. Speaker, in order that there may be no cloud on the Yukon representation. Our great territory needs an active spokesman in parliament and I urge the government to call the by-election as soon as possible so that a Yukon member can be seated without undue delay. The constituents of this important, far-flung riding expect the government to take prompt action to avoid further resentment and annoyance, and to give them the representation they so justly deserve in this House of Commons.

I believe it is possible to call the election before Christmas, which would permit representation in parliament in January. As a man who has lived almost all his life in the Yukon I can assure this house, Mr. Speaker, that it is perfectly possible to have a winter election there, because we have certainly solved the problems of transportation and communications in winter. All the remote settlements not served by highway are readily accessible by ski-equipped aircraft.

Mr. Speaker, I do not think it would be proper for me at this time to speak on any of the many Yukon problems which need attention. I shall reserve those remarks until I return from winning the by-election, which I hope will be called for December.

Mr. Solon E. Low (Peace River): Mr. Speaker, I was very glad to relinquish my regular turn in favour of the hon. member for Yukon (Mr. Simmons) in order that he could place his statement before the house today, as I understand time is running out. I only regret that such a statement was necessary, because no matter who the member might be it is an extremely difficult thing for him to do.

May I take what few minutes remain before one o'clock to get through some pleasantries before I begin the more serious part of my remarks which I have to make this afternoon. I only wish, sir, and I say this without casting any reflection on your own good self, that Mr. Speaker were able to be in his chair at this time. I understand he cannot be here because of illness. I would like to convey to him my warm congratulations upon his election and to state I have confidence that he will carry on his high and important duties with dignity, decorum and justice. I wish for him a happy term of office, one that will be satisfying both to himself and to hon. members of this house while he is in the office of speaker.

I had the opportunity of congratulating you, sir, yesterday, so I will not do that today.

I would like also to say that I express my felicitations to the government on having won their present position on Mr. Speaker's right. I cannot help but feel a bit sorry for the government at this time, however, after listening to the discourse of my hon. friend the leader of the C.C.F. party. I am sure the government as a whole recognize that they are here under most unusual circumstances, in a house which has already been described as a parliament of minorities. Not only that but unfortunately a good many of the things that have been said by them in the past are now being thrown into their faces. I suppose this goes to show that we all have to expect these chickens to come home to roost, and I would imagine that if by some ill wind that should chance to blow my hon. friend across the way ever formed the government of Canada, a lot of these things which have been said by him and members of his group in the past would be thrown back at them with equal vehemence and equal effect.

I must say, though, that the government is in the enviable position of having people pay great tributes to it, and I can only say that never in my experience have so many opposition parties and members been determined to keep a government in office. This is indeed an unusual circumstance. All governments that I have seen thus far are ones that the opposition wanted to defeat at the first opportunity, but here we have a changed circumstance and what a drastic change it is. I am sure the people of the country will watch with vast interest what happens here in the next few weeks.

In my judgment, Mr. Speaker, this could very well be one of the most fruitful sessions of parliament in Canadian history provided, of course, that we see a strong measure of statesmanship instead of political manoeuvring. I am certain the next few weeks are going to witness the separation of the

supreme politicians from the statesmen in parliament, and it will be most interesting to see into what category various hon. members fall.

And now, Mr. Speaker, with those remarks 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. Low: Mr. Speaker, at this stage I would like to add to those already offered to the hon. member for Algoma East (Mr. Pearson) my own warm congratulations on the honour that was conferred upon him by the Nobel foundation. I think that it can safely be said that the fellow members of the hon. member in this chamber will feel that when one of their own in this parliament should be considered worthy of the Nobel peace prize it must be a source of great pride and satisfaction to them all.

At this point I should like also to add a word of sincere and warm commendation to the two young men who introduced the motion we are now debating. I was impressed with their fluency and with the excellent quality of their maiden speeches. There is no doubt in my mind that both will make many fine contributions to the debates in the days ahead. If I single out the hon. member for Calgary South (Mr. Smith) for further mention it is only because I knew his friendly and illustrious father so well and also because he comes from my own province. I might say here, Mr. Speaker, that word comes to me almost universally that this young man made a fine impression while he was a member of the legislature in the province of Alberta. I only want to say that if he follows in his father's footsteps he will indeed make a warm friend of every member in this house. In addition to that, I am sure he will avoid the serious error into which some other members from our province fell, the error of believing that when they were elected to this house they were given a mandate to libel their own province and belittle everything that was done to improve conditions there. Art Smith, senior, never was heard at any time when he was in this house to criticize unjustly, and we all had a great affection for him.

The events of the weekend, Mr. Speaker, and the first three days of the present week have made me even more proud to be a Canadian, a loyal subject of Her Gracious Majesty Queen Elizabeth II. I am grateful indeed that I can live in this wonderful land, a land which I greatly appreciate, and partake of the many privileges and blessings of citizenship here. I think we are all blessed in that we have at the head of our parliament a constitutional monarch of the quality of our beloved Queen whose ancestry has been traced back to David of old who was anointed King of Israel by the prophet Samuel. Our Queen was also anointed for service in the spiritual as well as in the temporal realm and a part of the solemn covenant she has taken is that she shall jealously and zealously safeguard the liberties of her subjects. It was for me a soul-stirring moment when our lovely Queen made history by presiding at the opening of this parliament on Monday.

I am grateful, too, that I could be here as an elected member to witness the event and in my small way to take a part in it. It was a moment that I shall always remember and about which I shall never tire telling my children and grandchildren and whenever I do retell the tale I will try to impress upon those children the facts about the very important role the royal family plays in holding together the many and extremely varied parts of the commonwealth of nations as well as providing visible substance to strengthen government in Britain, in Canada, and in some others of the commonwealth countries.

It is a new experience for the Social Credit party, Mr. Speaker, to be sitting to your right. Since 1935, when Social Credit members first came into this house, they have sat to your left, facing the government. They have been a part of the opposition and as such they have always taken their responsibilities seriously. As a matter of duty they have been constructively critical of measures placed before parliament either by the government or by private members from whatever party. We have supported those proposals which we thought were in the interest of our country and its people. We have strongly opposed those things which we thought were departures from principle or which threatened the liberties of Canadians; but as we did our duty as we saw it we faced the government, and I say that is always a good place to have your opposition, out where you can clearly see what they are going to do to you. It is easier to keep track of them that way. There just was not room for all of the opposition in that section of the house to Your Honour's left following the election of June 10. Someone had to sit over on this side. We were asked to do so and being the reasonable people we are we took our place here. It may be that some of our political opponents will try to read something into the fact that we sit on the government side of the house, something that just is not there. Just in case

there is such an inclination we felt that it did not matter very much where we sat because we think that we can do our full duty as well here as elsewhere in the chamber. We are still members of the opposition. We shall try to be justly and constructively critical of all measures that are brought before us.

We have never been carping critics nor at any time obstructionists, and we shall not begin to be now. As long as the government tries faithfully to fulfil those of its election promises with which we were in agreement and to stand on sound principles we shall give them and their measures our full support. If they depart from good principles or neglect their promises or if they ever forget that the real source of their power and authority to govern is the people of Canada whose will is expressed through the elected representatives to parliament, then, Mr. Speaker, we shall feel obliged to oppose them with vigour. We will support fully any effort by the government to enact just as quickly as possible their legislation providing for cash advances to the farmers and for increases in old age pensions, pensions for the blind and war veterans allowances. We thought, sir, that yesterday's show was hardly in keeping with a sincere desire to get those important pieces of legislation into early effect. That was one reason why we felt that it was not our privilege or our right to delay unduly the time that was taken to put through interim supply. I think, sir, that pretty well sums up our position clearly enough.

There is one more thing I should say about the situation and that is this. During this session we shall get the feel of the atmosphere on the government side of the house and we think the situation is one which very likely is well designed to give us training against the time in the not too distant future when we become the government of Canada.

Mr. Knowles (Winnipeg North Centre): Just the tail wagging the dog.

Mr. Low: Well, it is something to be a part of the dog which is something I am afraid my hon. friend cannot say.

I would like to turn, sir, for a while now to a discussion of the provisions of Her Majesty's speech. We were glad to see that the government is prepared to fulfil its election promises in connection with old age pensions, war veterans allowances, pensions for the blind and pensions for the disabled. These are things which we have fought for constantly over the years. Reference to these matters in the speech from the throne was in very general terms, as has already been pointed out. Nothing definite is yet known about the amount of the increases or when the increases will be made effective. I presume that in good time the government will make these things known to us and that at that time we shall be in a far better position to express our views about them. However, I should like to say that the government is to be commended on thinking about our aged citizens, the veterans and the unfortunate ones in our country. Surely, it must have been evident to any thinking person that our senior citizens should not be expected to try to eke out a miserable existence on $46 a month, in the light of the serious increases, as it were, being made almost monthly in the cost of living.

We think that long ago there should have been an escalator provision in the old age and blind pension arrangements, and perhaps even in the war veterans allowance arrangements, to make possible automatic increases to take care of increases in the cost of living. We are impressed by the fact that the government recognizes the need for increases and that they are prepared to make some provision for them. We want them to know that we support also any effort that will be made to shorten the residence qualifications and we believe that since old age pensions are now contributory they should be paid as of right to the recipient no matter where he may live. We ask the government to take that matter into very serious consideration.

I am certain that the people of Canada generally are aware of the fact that if the Conservative government can increase old age and blind pensions and war veterans allowances in October of this year there is no reason whatsoever why the Liberal government could not have done an equally good job in March of the same year or even earlier. In the intervening months so far as I know there has been no real change in the economic condition of the country, certainly no upsurge or change for the better which would justify the Liberals in saying that they could not do it.

There is one thing however, that the government must bear in mind and that is this. Unless something fundamentally sound is done to check the continuous price rise, what they have proposed to help the aged, the blind and the war veterans will be of no lasting value whatever. One of the big reasons why the people of Canada elected a new government last June was that they wanted people in office who would bring to bear upon the problems of the country a different approach and different thinking, and especially people with the mental attitude that says, "it can be done."

It is refreshing, therefore, to see the new government taking the stand in some things that changes for the better can be made, and for that I congratulate them. I suggest it is time that a new approach was made to financial policy because I am convinced that with a fresh attitude towards it something of a worth-while nature can be accomplished that will be of lasting advantage, not only to the aged, the infirm and the disabled but to all the people of Canada. I hope that the Conservative government will not get into the same frame of mind that was so obvious all the while the Liberals were in office. From 1935 to 1957 they seemed to feel that so far as financial policy was concerned the present state of affairs was the necessary state of affairs. They constantly indicated the closed mind on that subject and the people of the country just got tired of it. Therefore I throw out the warning to the government that they will have to be very careful not to fall into the same frame of mind as did the Liberal government, especially with respect to this most important fundamental, a sound monetary policy. It is easy to do that, especially when ministers of the crown depend so much for their advice on the civil servants they inherit. That does not cast any reflection whatsoever on the civil service of Canada.

I sincerely hope that the old age pensions, blind pensions, war veterans alowances and disability pensions are given a substantial boost at this time, one that will be in keeping with the needs of the good people concerned as well as with the productive capacity of this great country. I suggest that a $60 a month basic pension for the aged would not be out of line at all.

We noted with some satisfaction that the government is to provide cash advances to farmers against farm-stored grain. We have already made our position clear in this regard in previous debates of other years. We think that cash advances are more fair than and preferable to government guaranteed loans through the chartered banks. Here again, Mr. Speaker, the details of the government's proposals have not been revealed to us and we will have to wait until we see exactly what the program is before we can go too much into detail in our discussion. We sincerely hope, however, that this is not the sum total of the government's program for assuring the farmer his fair share of the national income.

Her Majesty's speech does indicate in a rather indefinite way that parliament will be asked to enact a measure to provide greater stability in the prices of farm products. These words may refer to the commodity price support legislation now on the statute books of the country but which was never put into effect fully by the former government. It must be clear to the present government that some definite provision will have to be made through stabilization of prices and marketing arrangements, and perhaps in other ways, to assure the farmer his fair share of the national income.

My colleagues and I have been advocating various measures for years which we thought would have to be applied if the aggregate income of Canadian farmers was to bear a fair relationship to farm costs. It will not be good enough in my judgment to provide cash advances against farm-stored grain and that only. At best these cash advances can only make available to the farmers a small amount of cash to meet their most pressing bills and keep them one step ahead of the sheriff. Moreover, the government is going to find tremendous difficulties in taking security and in making the advances.

The situation would be far different if the former government had been wise enough to provide approved storage as they should have done. I do not mean to imply that the farmers of this or any other country have to be molly-coddled or want to be because I am sure they do not want to be, but I think it can be laid down as a sound principle that governments should do for the people those things which they cannot do for themselves or things that the government can do so much better. Provision of adequate inland and terminal storage facilities for grains especially is one of these things that enlightened, forward-looking governments have felt it their duty to provide. In the United States the government has doubled the amount of storage capacity for farm products since 1953, and thus when surpluses mounted approved storage was available and that made it much simpler to make cash advances against farm products properly stored.

I think that this government must face up to the fact that in the years ahead it will be desirable in the interests of our national security and in the interests of the hungry people of the world for Canada to have enough inland and terminal storage capacity properly and wisely dispersed to carry over safely from one year to another not less than two full years' grain production. When the time is more appropriate I intend to put forward to the house an irrefutable case for the establishment of a 2 million bushel storage elevator in the Peace river country, my own constituency, as one unit in what will be a necessary, broader government program. Here again the people of Canada are bound to ask if the Conservative government can make available cash advances to the farmers in the

fall of 1957, why could not the Liberals have done equally well in the spring of 1957 or 1956 or 1955 or even earlier?

However that may be, the problems facing the farmer will not be solved unless and until great improvements have been made in marketing and in pricing. We are convinced that the basis of any real improvement in the farmers' position will be the adoption of the two-price system that has been used so successfully by many industries in this country. Colleagues of mine will go more fully into this situation in the course of their speeches.

I note some rather vague references to taxation in the speech from the throne. I sincerely hope that this is not merely window dressing in preparation for another election. The people of Canada are expecting relief from the heavy burden of taxation. One of the reasons they changed governments was the failure of the Liberals to come to grips seriously with the whole taxation problem. I think the former minister of finance must have realized that when he took upon himself this summer much of the burden for the loss of government status by the Liberals. The government will have to realize that what I am saying is true and if they ever expect seriously to tackle the increasing cost of living they will have to begin to remove those taxes that inevitably push up prices and add to the burden of consumer costs.

One of the most prolific causes of inflation is the government's habit of imposing hidden taxes against commodities, and a right good place to start tackling the cost of living problem and the rise of the price index in any program of tax reduction is in the field of commodity taxes, the sales and excise taxes that are applied at the manufacturers' level.

Of course, the Canadian people would welcome a reduction in income taxes. I am told that if some relief in income taxes is provided Canadians generally are prepared for the time being to forget all the others so that they can at least sleep nights.

The government is to be commended for their intention to propose from time to time projects and programs to implement a national development policy which is to be carried out in co-operation with the provinces and territories and which will enable all regions of Canada to share in the benefits to be realized from the development of the resources of this great nation. But I warn the government that as they proceed to develop the ideas programs and projects for this purpose they will come face to face inevitably with the absolute necessity for a change in the financial policy of this country. I point out that financial policy and national development are inevitably and unalterably tied together. If the government is to fulfil its promise to give effect to proper national development policies they will have to change their whole approach to finances in Canada, particularly their concept of the role and functions of the Bank of Canada. They will not get far if they do not solve the tight money problem and come to a definite decision with regard to this very important question. Who is to devise and lay down financial policy in this country? Is it to be a bunch of jobbers or must it be the parliament of this land?

I think one of the most serious omissions in the speech from the throne is the lack of any mention whatever of the tight money policy of the previous government. Thus far I have seen little evidence that the new government is prepared to come to serious grips with this disastrous policy. They must know—I am speaking now of this government—as many thinking people across this country are coming to know that the tight money policy of the Liberal government was a policy laid down largely by the Bank of Canada. It is a policy which was enunciated about two years ago and was supposed to have accomplished three things. According to the governor of the Bank of Canada, it was designed to bring about a reduction in the cost of living or at least to curb rising consumer costs. In the second place, it was supposed to bring about a reduction in Canada's serious adverse balance of trade. Thirdly, Mr. Coyne's policy was supposed to bring about a reduction of the huge consumer debt that had been brought about very largely by credit buying.

Those are the three things that the governor of the Bank of Canada and his associates emphasized and about which they expressed deep concern in the banking and commerce committee in 1955. I ask hon. members of this house to pause for just one moment and think of what has happened since then. The government of Canada established a market for treasury bills, that was the Liberal government, and they allowed the interest rate on those to rise to 4 per cent. Following this the Bank of Canada claimed that they had no alternative but to increase the rediscount rate to 4 per cent. The governor of the Bank of Canada issued requests at the same time, which many people of course interpreted as commands, to the chartered banks of this country to restrict credit. This they immediately started to do. As a consequence the tight money policy was foisted upon the people of Canada. General interest rates jumped by more than 1 per cent in a single

year; development in many areas of Canada fell off seriously and soon came to almost a full stop in several areas. Our municipalities, school divisions and provincial governments were forced to either completely curtail their present projects or go into the money markets of the United States to borrow to fill their money needs.

The tight money policy which started in 1955 has unquestionably been a miserable failure. Let us take a look at what has definitely happened in those two years in the three important things Mr. Coyne's policy was supposed to have accomplished. I remind you that it was supposed, in the first place, to curb the rising cost of living. Has it done so? Well, in September 1956 the consumer price index stood at 119, and today it stands at 122.6, the highest in history, and it continues to go up. Unless something is done about it, Mr. Speaker, I predict that within a year it will stand at 125. The fact is Mr. Coyne's policy, rather than curbing living costs, has actually built into our economy definite inflationary trends, some of them on a long-term basis.

Consider for example, if you will, the serious increase in mortgage interest rates. The family man who tries to provide a home today finds that as a result of the credit restrictions and tight money policy he must contract to pay higher interest rates, not just for one year but over a period of 15 or 20 years, no matter how interest rates may go down in the next few years. That is what I call built-in inflation over a long period of time. What strikes many people as very odd about this whole situation is that prices go on rising in spite of the fact that industrial and business inventories have been accumulating at a rapid rate over the last two years. There have been very few commodities in short supply, except money and the will in high places where policy is made to tackle the problem in such a way as to help the average citizen. Mr. Coyne's policy has been a miserable failure too, so far as reducing the cost of living is concerned or even in curbing the rising cost of living index.

What about the second thing Mr. Coyne's policy was supposed to have accomplished, namely a reduction in our adverse balance of trade? Since the tight money policy began in 1955 our adverse balance has more than doubled, and so the tight money policy has been a miserable failure in this branch also.

What about the third reason for Mr. Coyne's policy? How has it operated in connection with consumer debt since 1955? The governor of the Bank of Canada expressed grave concern two years ago over the tremendous increase in credit buying by Canadian people. If I remember my figures correctly, in 1955 consumer debt brought on by credit buying by the people of Canada stood at about $2.2 billion. Today it stands at no less than $2.6 billion which is a good $400 million above the figure for 1955. This simply means, Mr. Speaker, that the people of Canada have had to mortgage future incomes to the extent of $2.6 billions in order to satisfy present needs and wants out of the great pile of production already in existence and crying for a market. I say that nothing emphasizes quite so much as this fact the imperative need for a new approach to our whole financial policy in Canada.

We Social Crediters have that approach. Our financial policy can solve this problem and can make completely unnecessary the tight money policy. It must be evident to hon. members of this house that Mr. Coyne's policy has failed all the way along the line. In fact it has intensified inflationary trends rather than reduced them. I remember back in 1955 that one of the reasons given by Mr. Coyne for initiating the policy of credit restriction was a claim of insufficiency of labour in Canada. I think it can be safely said that the framers of the policy cannot use that argument now, because the dominion bureau of statistics reports that today the registered unemployed labour force stands at 174,000 individuals, and it is growing daily.

We are charging Mr. Coyne with foisting upon Canada a policy of foolish restrictions just at a time when our chief competitor, Russia, is going all out to expand all the way along the line. This in our judgment puts us in a very dangerous position. I bring these things to your attention, Mr. Speaker, because this government will have to face up to the situation in a very realistic manner. They will have to make it abundantly clear to the Bank of Canada that financial policy from this time forward is going to be framed by the parliament of Canada. Until the government makes that point very clear and then sets about asking parliament to give Canada a new, realistic financial policy, they never will be able to fulfil their campaign promises. In fact the best thing we will be able to do will be to take care of the fringe things, that is until they fight out this battle with the Bank of Canada and win.

We commend to the government a serious and uninhibited study of Social Credit financial proposals. I am sure they will find in them the real foundation for the establishment in Canada of a policy of freedom. Moreover, they will find in the techniques we suggest for the application of that policy the only hope in the world today for individual liberty. We see most of the present

policies stripping the individual of his liberties and progressively narrowing his range of free decisions.

It is because we feel so keenly about that situation, and the necessity of doing something about the tight money policy, which has not been mentioned in the speech from the throne, and because we cannot go along with the full import of the amendment which was moved by my hon. friend the leader of the C.C.F. party and the implications therein of the necessity for socialistic planning, that we wish to move a substitute amendment. Therefore, I move, seconded by my hon. friend the member for Acadia (Mr. Quelch):

That all the words in the amendment after the word "once" be struck out, and the following be substituted therefor:

However, we regret that there is nothing in the speech from the throne to indicate that it is the government's intention to ask parliament to lay down a scientific, modern financial policy for Canada that will guide the Bank of Canada in its operations, bring about a speedy end to the present tight money policy, and effectively check the ever-rising cost of living.

Before I sit down, Mr. Speaker—I see I have three or four minutes left—I would like to draw to the attention of the Minister of National Defence (Mr. Pearkes) a very important matter about which I have received a sheaf of telegrams from various bodies in my constituency of Peace River. This has to do with the unfortunate and tragic collapse the other day of the bridge across the Peace river at Taylor flats. This has had the effect, of course, of stopping traffic along the Alaska highway from Alberta in the east and from eastern British Columbia into the northern British Columbia area. The collapse of the bridge brings us face to face with the necessity of providing some alternate route for the people in this country to travel.

In his announcement the other day the Minister of National Defence did suggest that he was looking for an alternate route and I would like to draw to his attention that there is one such route. In order to give him the facts in the shortest possible time I will quickly read two telegrams, one which I received today from the president of the Peace river chamber of commerce and the other from the Berwyn men's club in the Peace river country. The first one reads:

Collapse of Peace bridge and inadequacy of ferry transportation at Clayhurst and Dunvegan renders imperative that road from Hines creek north of Peace to Fort St. John be brought up to standard immediately. Ferries will be inoperative within few weeks. Peace river bridge may have to take bulk of traffic once ice flows in river. Will you take this matter up in the house and with department of defence as one of urgency.

J. Ersfeld President Peace River Chamber of Commerce

And the other one reads:

General Pearkes enquiry for alternate route to serve Alaska highway in view of bridge out Taylor flats. Please advise him only alternate route north side of Peace river via Hines creek cutoff distance approximately 125 miles which will require some gravelling and improvement to Beatton river hill to handle heavy traffic.

Total distance via this route five hundred thirty miles from Edmonton which is comparable with present route via Dawson creek.

Berwyn Mens Club

Mr. Speaker, I have done my duty with respect to the speech from the throne and the telegrams received with regard to this matter requesting us to bring the position before the house. I will take the first opportunity to talk to the Minister of National Defence personally and to acquaint him with further facts concerning this alternate route which might be used by people who wish to travel in the northern part of British Columbia over the Alaska highway.

Mr. Winch: May I address a question to the previous speaker.

Mr. Low: Yes indeed, if you wish.

Mr. Winch: With respect to your last comment, are we to take it that you are in opposition to the offer of the premier of British Columbia that a bridge now completed on behalf of the P.G.E. should be used? I ask that because there is now only about 17 miles distance involved to the bridge which has not collapsed.

Mr. Low: No, I am not in opposition to that. I think that was a very fair offer and, if I remember correctly, the Minister of National Defence did say the other day, when making his announcement, that the proposition had been made by the premier of British Columbia, but he felt there might be some difficulty in providing an alternative road route from the present bridge up to the new road. It may be possible that the suggestion made by the premier of British Columbia will be the practical one—who knows—but I have done my duty in simply bringing forward this matter in the house as requested by the chamber of commerce and Berwyn men's club.

Mr. Winch: But you are not opposing the offer of British Columbia?

Mr. Low: No, no, not at all.

Mr. John B. Hamilton (York West): Mr. Speaker, I noticed that when the Prime Minister (Mr. Diefenbaker) spoke in this debate his designation of the hon. Leader of the Opposition (Mr. St. Laurent) provoked a great deal of merriment in the opposition benches. I must say that is not a cause for laughter; it is a very serious matter. I have found continually

when I come into the chamber I bow to the right to the Sergeant-at-Arms and turn my back on you. I hope you will forgive this unseemly conduct on my part. I might even go further and say that I have run into these doors out here so often that I am convinced the hinges are on the wrong side and perhaps you might run at them a few times yourself to see if I am correct.

I think at this time it is the usual custom to offer congratulations to you, Mr. Speaker, to your new deputy, to the mover (Mr. Smith, Calgary South), to the seconder (Mr. Arsenault), to the Prime Minister and to the Leader of the Opposition. In all sincerity I do so to all.

I think, however, if one were looking for a good way to obtain additional material with which to pad out a speech this would be a very obvious way to do it. One might even continue and offer congratulations to all of us who got here but, in doing so, I think we would be touched with some sadness for those who did not. As the Prime Minister said the other day, no matter what may be said in the heat of debate across this chamber or in an election campaign it does not affect those personal friendships which exist along the way. So, Mr. Speaker, I say as I welcome new friends in this chamber that I will miss many old friends from the last parliament.

If I might add one further word of congratulations I think it would be to say to the hon. Minister of Public Works (Mr. Green) that he and the people of his department worked miracles in their preparations for the visit of Her Majesty the Queen. The staff in this building was extremely competent and courteous and I have never seen parliament hill so beautiful as it was the other night when we witnessed the final 1957 performance of the musical ride of the Royal Canadian Mounted Police.

The municipal authorities, the shop owners, yes all the people of Ottawa should be given a sincere thank-you for their work and thoughtfulness in helping to make our capital city on this occasion as beautiful as any you would find anywhere in the world.

Let us turn now to the business in hand. I have said before that I know my constituents in York West would be quite satisfied if I discussed their problems as they form part of the problems in the national scene. The Leader of the Opposition said he felt there was little to be gained by any post mortem examination of the last election. Perhaps that may be true with regard to those who voted, but for those of us who are here I am not so certain. Of one thing I am sure, the result of the elections of June 10 can be attributed to a drastic change in the thinking of the man in the street, the little man who saw things happening which could not be seen by those who were engrossed in the study of their own balance sheets.

While the government gloried in the rising gross national product and the phony figures of total trade, while many watched with satisfaction their soaring sales figures, studied with frowns their rising costs, took pride in their new product development or worried over increased taxation, here were the things which were happening in Canada; these were the things that others noticed and, Mr. Speaker, they did not all come from one political party.

First, the relegation of the House of Commons, the real basis of democracy in this country, to being a mere sounding board for the chore boys of the administration, out of touch with the real wishes of the people, the ignoring of the plight of our senior citizens faced with the continued rise in the cost of living, the use of *ex parte* foreclosure against the provinces in their attempt to get a fair division of the tax revenue sources to assist them in providing the educational facilities and the development costs needed for them to get ahead with their progress; the disappearance of effective means of communication in connection with the conduct of our foreign affairs to the point where we were not even consulted by our best friends when drastic action was taking place in the Middle East. Not a question, Mr. Speaker, about what was right or wrong at Suez, but of what happened before Suez. As a matter of fact there was the same breakdown in the lines of communication with our neighbour to the south, a breakdown that left us with no say in procedures of investigation affecting the rights and political status of our own citizens. The general deterioration of our international trading position, the continuing pile-up of our western wheat crops, the mounting trade deficit on current account and the situation in which more and more of our basic industries are owned outside our own country were also among the realities which were not being faced.

As a matter of fact, Mr. Speaker, United States investment in Canada now amounts to over $12 billion, and those who say that is not much should remember that Canada needed $914 million of capital in the first half of this year to balance its current account deficit with other countries, and $790 million of this was financed on long-term money from the United States. This is certainly an unenviable record to have achieved. Has any hon. member as a shareholder in his company ever gone to a banker and asked for a loan when his balance sheet was showing thousands upon thousands of dollars in the red

balanced only by some long-term loan over in the righthand corner. He would not have very much to offer.

These problems, Mr. Speaker, did not arise suddenly after June 10. They were well known and well published by three of the major parties prior to that date, and if there is any impression that they were used solely for the purpose of gaining votes I think that impression can be dispelled now, because now we see that even the opposition recognizes that these problems exist. When our ex-minister of foreign affairs goes to California or to some other place to make a speech, or whether it be down at Presqu'ile Point talking about the economic problems of the country and the failure to recognize, as the Prime Minister says, the "lack of communication between grass and brass", no matter where it is the opposition now realizes apparently that these conditions existed and grew up during their tenure of office.

It took the United States two world wars to take care of a similar situation on a much smaller scale. No one wants an economic benefit while others suffer, but I am wondering whether we have not reached the point where if we are to maintain control of our own resources, have the wherewithal to do it, we may not have to say to our allies that we must take care of our own economic requirements while they take care, on a larger scale, of continental defence. Surely there is an object lesson for us, an indication of the need to get away from the usual standard of percentages based on population figures in connection with defence requirements, and an opportunity to arrive at a more realistic standard. If our ally to the south, maintaining a higher living standard than our own, having a basic tax structure as low, if not lower than ours, can meet their global commitments and still have enough money left over to dominate the capital investment field in this and many other countries, then I think it is time we said: "We can no longer afford to bear the burden of some of the defence costs that are facing us."

I wish to interject at this point that I do not say that these people are in any way not generous, or that they do not have open hearts. They have done everything they can, everything that money can buy to provide these facilities, but there is no indication that they are at any time prepared to buy the product of any other country's manufacturing facilities in order to provide the protection that we need, I do say to the Prime Minister that perhaps we have reached the stage where that type of representation should be made to them.

[Mr. Hamilton (York West).]

The choice for us is serious. I have lived to see many countries maintain their political independence even though they had lost a war, but I have never seen a country maintain its political independence when it has lost control of its own economy.

There is no question of the government not being aware of these problems. This party was elected on a program which promised that we would move forward and attack the problems confronting Canada with vigour and vitality, and recreate in Ottawa an atmosphere of sound thinking. The Prime Minister is determined that this government shall remain responsive to the urgent social and economic requirements of the people. We recognize that the needs and tempo of the Canadian people demand a dynamic program. That is the type of program, which is contained in this speech from the throne, and if I have seen anything at all in this chamber I have noticed one thing very definitely, that all the howls of protest, all the use of exaggerated expressions such as "robber barons", and lack of sincerity are caused by one thing only—that this speech from the throne has cut the feet from under the whole bunch to your left.

I have told you what the problems are; now listen to the answers. Here they are in capsule form. We have been talking about the problems involved in foreign affairs. Listen to the speech from the throne:

The Prime Ministers of the Commonwealth Met in London Last June

Another reads:

The Finance Ministers Met at Mont Tremblant. Laid Plans for a Commonwealth Trade and Economic Conference to take place Next Year

Mr. Pickersgill: 1959.

Mr. Hamilton (York West): What a change.

Mr. Pickersgill: Secret agenda.

Mr. Hamilton (York West): I am glad to see that you are waking up. You have been asleep for 22 years. Take a look at the headlines. What a change there is from the last ten years. What a change from the time of the crisis in Suez. Now that we are talking about a crisis in Turkey and Syria what do we see? We find newspaper headlines like the following:

MacMillan Will Fly to U.S. For Talks With Eisenhower. Diefenbaker, President Swap Views.

It is unfortunate, Mr. Speaker, there could not have been conferences of this kind before Suez.

An hon. Member: You never asked for them.

Mr. Pickersgill: We fixed them.

Mr. Hamilton (York West): You certainly did.

Mr. Pearson: That is a quotation.

Mr. Hamilton (York West): Now, just listen to the fixer, the hon. member for Bonavista-Twillingate (Mr. Pickersgill). Of all the people in this house he is truly the fixer of all time. Let us listen to the rest of the answers, the following drawn from the speech from the throne:

> In domestic affairs my ministers look forward to meeting next month with the leaders of the provincial governments in order to discuss fiscal relations and to seek better understanding and arrangement of many aspects of our public finances.

Mr. Habel: Then you will have a headache.

Mr. Hamilton (York West): What a change, Mr. Speaker. There is the group over there who when asked questions time after time had nothing more to offer to the provinces—

Mr. Sinclair: We will see what you have to offer.

Mr. Hamilton (York West): —and I suppose more especially not a cent to a Conservative province.

Mr. Pickersgill: And you said this morning you were going to take back what they have.

Mr. Hamilton (York West): And yet it is possible for the present administration to bring these people together around a conference table to discuss with them programs for assisting them with their financial problems in relation to education and development costs. Hon. members opposite used complete foreclosure just a few short months ago in relation to the requests of the provinces.

Mr. Stick: We are glad to hear that.

Mr. Hamilton (York West): If you people really believe the criticisms you are making of the speech from the throne then why not vote against it?

An hon. Member: You are asking for it.

Mr. Pickersgill: Do you think you will get a portfolio the next time?

Mr. Hamilton (York West): Here is another answer from this government, drawn from the speech from the throne.

> In the legislative program to be laid before you, it is fitting that mention should first be made of measures to improve the lot of the senior members of our society.

What were you doing for them, paying them 20 cents a day? You thought that was the solution to the problem.

An hon. Member: What will be yours, to offer them ten cents more?

Mr. Hamilton (York West): If you do not think the speech from the throne is of value you will be given an opportunity to vote. Here is another Conservative answer to be found in the speech from the throne:

> In order to assure to the farmers of Canada a fair share of the national income, you will be asked to enact a measure to provide greater stability in the prices of their products. Every possible effort is now being made and will continue to be made to seek new markets for agricultural products as well as to regain those that have been lost.

Mr. Pickersgill: Read the next paragraph.

Mr. Hamilton (York West): Here is another one:

> My ministers believe that a national development policy carried out in co-operation with the provinces, and in the territories, is needed to enable all regions of Canada to share in the benefits to be realized in developing the resources of this great nation. It is their intention to propose to you from time to time programs and projects to implement this policy.

Some hon. Members: Oh, oh.

Mr. Hamilton (York West): Oh, do not laugh. One after another the answers appear: Beechwood, the South Saskatchewan river dam, the Columbia river development project. Indeed, Mr. Speaker, I feel sorry for the former minister of agriculture. For years and years he tried to do something for his own province and what did his party do? They turned him down.

Mr. Gardiner: You have not done much better.

Mr. Hamilton (York West): It has taken the present administration to set up a program to—

Mr. Pickersgill: To start discussions.

Mr. Hamilton (York West):—to ensure that these national resources will be developed by Canadians for Canadians.

Mr. Winch: When are you going to start on the South Saskatchewan dam?

Mr. Gardiner: They do not know.

Mr. Hamilton (York West): Oh yes, Mr. Speaker, times have changed. My last experience with the hon. member for Vancouver East (Mr. Winch) on the final day that parliament sat last year was not very pleasant but I want to tell hon. members this.

An hon. Member: Are you afraid of him?

Mr. Hamilton (York West): No, I am not. In fact, I have not met anyone in this chamber yet of whom I am afraid, Mr. Speaker.

Mr. Bell (Saint John-Albert): Not even the supermen of last year.

Mr. Pickersgill: Why don't you answer them?

Mr. Hamilton (York West): And this includes the superman who sat to the right of the Prime Minister in the last parliament. There has been a great change even in the headlines of the newspapers. Look at them now and see how they read. I have one before me which reads:

Canada Comes First

Here is another:

Election Promises Backed Up

And yet another:

Prime Minister's Promise Lauded by C.C.F.

And again:

Liberals Sidestep No-Confidence Vote

Mr. Studer: What did that cost?

Mr. Hamilton (York West): Another reads:

First Confidence Vote Backs Progressive Convatives, 147 to 0, As Fleming Battles.

Mr. Ellis: You are a press agent now.

Mr. Hamilton (York West): Yes, a great change has been made.

Mr. Henderson: Tell us about the press agents.

Mr. Hamilton (York West): I am sure that parliament will be given back to the people. Never has a government moved so quickly and with such sure strides to rehabilitate our relations with friends and neighbours. Never has a Prime Minister spoken so clearly on the problems of trade and economic development. There is no longer a cap in hand attitude as all are aware if they listened to the Prime Minister's radio broadcast from Dartmouth college. Indeed, Mr. Speaker, there are truly more signs of action in 22 months than there were in the previous 22 years.

Someone has said 22 weeks and this serves to demonstrate that we are even more efficient.

Before closing my remarks I wish to say a word with regard to the comments made by the hon. member for Rosetown-Biggar (Mr. Coldwell). I have said before there is ample reason for his being so upset because there is every indication that this government can take care of the problems about which he has been speaking for many years and I suppose this has removed from him one of the greatest talking points he could find for an election campaign.

I noticed that he and the leader of the Social Credit group had a great deal of trouble with their mental gymnastics in figuring out where the balance of power is in the present parliament. While I am not sure where the balance of power is in this house, Mr. Speaker, I am nevertheless sure of one thing; that the true balance of power as long as this House of Commons exists will remain in the hands of the people. And if hon. members opposite want to find out where the balance of power lies at the moment they will have a perfect opportunity of doing so in ten days.

(Translation):

Hon. Lionel Chevrier (Laurier): Mr. Speaker, it is with a legitimate pride that I rise today in the house. After having been away for three years, I am glad to be back in the house where I am pleased to see again many a familiar and friendly face, and where I also find that unfortunately, some of the people I had known have disappeared, swept away, as it were, by the fortunes of politics.

When, in June 1954, I introduced in this house for the last time the estimates of the Department of Transport, I was convinced it would be my last appearance here. After three years as chairman of the St. Lawrence Seaway Authority, I am glad to be back in politics, and if I have come back to them, it is primarily because I was asked to do so by the right hon. the former prime minister. I could not possibly refuse to co-operate with the leader of the party, who himself had given such an example of sacrifice for the sake of his country by leaving not only his profession, but his family life, in order to dedicate himself to the service of Canada.

In view of this example of devotion to public affairs given to all of us by our leader, I was happy to come back to Ottawa and to find myself again at the side of former colleagues in the House of Commons.

When I quit politics in 1954 to accept the chairmanship of the St. Lawrence Seaway Administration, I was conscious then of doing what I considered to be my duty for the common good of the country. When I returned to active politics, at the side of those with whom I had been associated for some 19 years, I was also conscious of answering a no less urgent call, but in a wider and greater field. At any rate, Mr. Speaker, I have no regrets at all about the decision I made because, one way or the other, I felt I was doing my duty.

Speaking in this house for the first time since my return, I am happy to do so in French, as a citizen of a country which is officially bilingual and as a member representing a French-speaking constituency of the province of Quebec. In so doing, I am

conscious of exercising a fundamental right which the Liberal party has always been mindful to respect fully. In the minds of the French-speaking members particularly, that right, which was won following the struggles of the first year of responsible government, constitutes a duty from which they could not shrink without betraying the mandate entrusted to them.

It seems to me that in 1957, even more than was the case 50 or 100 years ago, French-Canadians, by their attitude inside as well as outside the house, are duty-bound to assert this inalienable right, for the recognition of which their ancestors struggled so gallantly.

It is also in French, Mr. Speaker, that I intend to pay Her Majesty Queen Elizabeth II of Great Britain and Canada, the homage which is due her. All Canadians, of whatever origin, are deeply grateful to their gracious sovereign for the great honour she has shown them in coming here to open the first session of the 23rd Parliament.

I believe this is the right time to express again to her, as well as to His Royal Highness Prince Philip and the whole royal family, the feeling of attachment, respect and loyalty of French-speaking Canadians for the British political institutions.

May I also congratulate Mr. Speaker not only for the honour conferred upon him by this house, but also for the way in which he is performing his duties. I trust that he will keep on fulfilling his functions with dignity and efficiency. And allow me, Mr. Deputy Speaker of the house, to convey to you my congratulations and my best wishes for the future.

I do not wish, Mr. Speaker, to depart from the tradition of this house whereby those who take part in this debate should first congratulate the mover and seconder of the address in reply to the speech from the throne, Messrs. Smith (Calgary-South) and Arsenault. I congratulate them in the first place for the honour conferred upon them by the government, and also for the way in which they have performed their task. Remembering a similar occasion, more than twenty years ago, when the government had chosen me to assume a similar function, I have listened to their speeches with attention, and it is also with sympathy and admiration that I have heard what they had to say.

After those preliminary but necessary considerations, I cannot forget that I owe first and foremost to my electors of Laurier the privilege which I am now enjoying of sitting in this house. I am proud to represent that riding, first because of its name, since to me, Sir Wilfrid Laurier not only devoted himself for the greatest part of his life to the cause of national unity but was also one of the greatest among Canada's prime ministers.

As many other Canadians, I have been influenced by the thought and doctrine of that master. He has remained for me a living leader, a master whose teaching, in spite of the passage of time, is as valuable today as ever. However, the reputation of Laurier riding does not derive exclusively from its name. It has had worthy representatives in this house. To name but a few, there were Sir Lomer Gouin, Mr. J. A. Mercier, the hon. Ernest Bertrand, and my predecessor in the House of Commons, Mr. Eugene Lefrançois, now a member of the other house, to whom I wish to pay tribute now, for he represented that constituency with great devotion in the years preceding my return to politics.

Since the last session, our Canadian political life has undergone rather important changes. Following the June 10 elections a new government was formed, headed by the hon. member for Prince Albert (Mr. Diefenbaker). We must congratulate him on this appointment, even though he is there only temporarily. He is in fact in large measure responsible for the results of that election, even though we can hardly approve the means which he has used or the promises which he made.

It is no exaggeration, however, to say that never in the political history of this country has an election been marked with so much exaggeration or so many promises. I believe that in this case we could paraphrase Sir Winston Churchill's famous statement and say: "Never in Canadian political history have so few politicians made so many promises to so many."

The Prime Minister and his chief lieutenants have been rushing around the country promising everything to everybody. Then, following a victory which was as uncertain as it was unexpected, a large number of them have, privately at least, begun to feel sorry that they had attempted to play Santa Claus in the middle of June.

Those of us who sit on this side of the house have certainly not been long in noticing that these gentlemen have suddenly become full of circumspection and filled with dread about the statements they had been making in this house.

That is why my leader was right in saying here the other day that nothing much has been changed by what happened last June 10,

save that we have some new faces among us. One after the other the new ministers have risen to go on record as approving either the statements made or the policy followed before their time as far as their own departments were concerned.

I would have a great deal more to say on that score, Mr. Speaker, but I now wish to deal with another subject.

(Text):

Now, sir, I should like to turn to another subject. Early in the month of September the people of Canada learned with a great deal of regret the news that the leader of the Liberal party had decided to retire. I need hardly tell you that those of us who sit on this side of the house felt perhaps more keenly than others the news that soon our leader would seek to be replaced at a convention to be duly called. There can be no doubt, sir, about the place which history will give to the former prime minister of Canada. I have no intention of making his eulogy because I know what he thinks of compliments of that nature. I would rather have it come from another source. A day or two after the announcement which he made the Vancouver *Sun* of September 9 had this to say about his decision:

> Mr. St. Laurent gained wide respect and admiration for his leadership in international affairs, particularly for his role as one of the fathers of NATO. He certainly was always keenly aware of the big problems of our age and intent upon grappling with them. But his greatest contribution as prime minister of Canada was to Canada, to Canadianism. He reconciled French and English Canada during the war. He was the chief negotiator for Newfoundland's entry into confederation. His government abolished appeals to the privy council. He appointed the first Canadian governor general.
>
> Of much greater importance, however, was his concept of unity. His message was simple: What French and English have in common as Canadians is far more than the differences that divide them, for it is Canada itself. And this man, straddling the nation's basic split by his very birth, carried the message as few men could.

This is an excellent account of the important part played by our beloved leader. We on this side of the house, as well as all true Canadians will always be most grateful to him for the role and the part which he has played and for the services which he has rendered to Canada in that respect.

Under his able leadership national unity has made great strides. The two main ethnic groups have come to understand each other better and, what is even more important, they have come to undertake national projects, they have come to work hand in hand together with one common end in view, greater Canadian advancement. They have learned too that after world peace there is nothing more important for this country of ours than national unity, that it is the indispensable basis of all progress in all spheres of our national life.

Unfortunately this national unity which we have acquired in recent years under the leadership of the Liberal party is now being threatened by the political strategy of the Conservative party. I should like to recall some of the history of the Conservative party in that respect before referring to this strategy in detail.

In order to understand the background of the matter, however, we have to remember that Canadians have always been divided into three groups insofar as national unity is concerned. At one extreme there are those Canadians who throughout our history have always been more British than the British themselves, have always been imperialistic in their tendencies and have always thought that it was impossible for French speaking Canadians to be British without ceasing to be French.

At the other extreme, however, there are those Canadians in Quebec who have always been anti-British, who are always reluctant to participate in national undertakings except on their own terms. In fact they think and behave as if Quebec was not an essential part of Canada but a separate state. In the 19th century these people were called the ultramontanes or "Les Castors".

Finally, midway between these two extremes was the great number of Canadians, both English and French speaking, who always had a Canadian outlook, which is certainly not incompatible with a deep attachment to British and French traditions, who accepted quite willingly the fact of our different ethnic origins and who were ready to participate in common undertakings in a spirit of conciliation and mutual respect.

Under the leadership of Macdonald and Cartier the Conservative party was a national party in the true sense of the word. However, quite early in its history, and especially under the leadership of Blake and Laurier, the Liberal party adopted a Canadian outlook and recruited its supporters from the third group of Canadians which I have just described. Since the Liberals occupied the position at the centre, the Conservative party felt itself obliged to seek its support at the extremes among the so-called imperialist group in English speaking Canada and, especially after Cartier's death, among the ultramontane group in Quebec.

Since these two extreme groups had nothing in common with each other there was only

one alternative for the Conservative party to adopt and it was this, to have two policies, one for Quebec and one for the rest of Canada.

An hon. Member: Speak for yourself.

Mr. Brooks: You know that is not a correct statement.

Mr. Chevrier: My hon. friend says that I know that is not a correct statement. If he will follow what I have to say I will cite Professor MacQuarrie of the University of Toronto who confirms exactly what I am saying. This division within the Conservative party became quite evident when Laurier was elected leader of the Liberal party. All his life Sir Wilfrid Laurier had to fight these two tendencies of the Conservative party. In Quebec he was accused by the Conservatives of being a traitor to his race and to his religion and of trying to be an instrument of British imperial policy.

Mr. Brooks: A very good stump speech.

Mr. Fulton: What have Liberals in Quebec said about our leaders in the last few years?

Mr. Chevrier: If you will just hold your voice I will not only tell you what happened in the province of Quebec but I will tell you about the speech of the Minister of Justice (Mr. Fulton) in Montreal the other day. While this was happening in the province of Quebec what was happening in the rest of Canada? In the rest of Canada Laurier was accused by the Conservatives of being too French, too Catholic and of attempting to detach Canada from her traditional ties with Great Britain.

Finally, in 1911 the strange alliance of Quebec Conservatives, supported by Bourassa and other French Canadian nationalists, with English speaking Conservatives succeeded in defeating Laurier and the Liberals. It is quite possible, sir, for two opposing elements, two opposing groups, to unite in opposition but it is impossible for those two groups to unite in power, and that is where I come to answer my hon. friend.

Mr. Brooks: This is the unity you are speaking of.

Mr. Chevrier: If you will follow closely you will see how the Conservative party down through the years, and even today, has been trying to split the country from the point of view of national unity.

Mr. Cardiff: What are you doing right now?

Mr. Chevrier: On the eve of that election of 1911 the Hamilton *Spectator*, a stalwart Conservative supporter, spoke out plainly on the matter and had this to say:

> Mr. Borden has been returned to power with a majority sufficient to permit him to be independent of Quebec, or rather that portion of it which is hostile to Canada's participation in imperial naval warfare. He is in an ideal position and he should take full advantage of it . . . Mr. Monk may not like (the Canadian naval policy) and his nationalist friends may object, but they are after all only a meagre minority and, like all minorities, must yield to the will of the majority or move elsewhere.

Professor MacQuarrie of the University of Toronto in an article dealing with the formation of the Borden cabinet had this to say. I say to my hon. friend who interrupted me, the Minister of Veterans Affairs (Mr. Brooks), that he should listen very carefully to this article. These are not my words, these are the words of a professor from the University of Toronto.

Mr. Brooks: You will always find words to suit your purpose, no matter where you look.

Mr. Chevrier: The article reads:

> In bringing the nationalists into his cabinet, Borden showed a realistic awareness of the forces and combinations which had helped to make him Prime Minister of Canada. But at the same time, he was also taking a step which might lead to the resuscitation of the Conservative party in Quebec where it had not won a majority of seats since the election of 1887. In the hope that such a happy end might eventually be attained, he was willing to forgive the past disloyalty of Monk and to endure cheerfully the shocked resentment of some of the stalwart imperialists within the Conservative party. It would appear that far from repudiating the nationalists, as some of his followers urged, Borden was determined to cultivate them. The generous bestowal of cabinet posts was followed by many other gestures designed to strengthen the alliance which had been so effective in the recent campaign. Blondin, the fiery young nationalist was chosen Deputy Speaker of the House of Commons. (The member selected as Speaker was Doctor Sproule who had been for fourteen years the grand master of the Grand Orange Lodge of British America.) At the opening of the session, the address in reply to the speech from the throne was moved by the empire-loving R. B. Bennett of Calgary, and seconded by the brilliant young nationalist Sevigny, whose pronuncements on naval defence had been as outspoken as Bourassa's. To the Toronto *Globe*, Borden's balancing artistry rivalled that of a tightrope walker.

Of course, Borden's attempt to reconcile what was incompatible did not succeed. What happened? Monk left the cabinet in 1912; Pelletier and Nantel followed his example in 1914. Borden found it increasingly difficult to find cabinet material from the province of Quebec, with the result that from 1917 to 1921 there was no French-speaking representative from the House of Commons in the cabinet.

The Conservative party has never succeeded since that day in overcoming this deep internal division. Following Laurier,

Mr. King, Mr. Lapointe and the present leader of the Liberal party had to fight the same old battles against the two wings of the Conservative party. There are many English-speaking Conservatives who ask why it is they cannot have more followers in the province of Quebec. There is one in particular who sits on the other side on the treasury benches, and for whom I have the highest respect, who said to me one day many years ago when I was a minister of the crown, "Can you tell me how it is we have not been successful in getting more seats in Quebec than we have?" My reply was this: "The real cause is that the old guard of the Conservative party has not yet succeeded in developing a genuine Canadian mentality." That is the real challenge of the Conservative party today, but it has not as yet had sufficient courage to meet it.

Recently, rather than try to face it and deal with it, the Conservative party has preferred to adopt another approach. According to press reports, when the present Minister of Trade and Commerce (Mr. Churchill) became the organizer of the Prime Minister's (Mr. Diefenbaker's) campaign for the leadership of the Conservative party last year, he made a long and detailed study of the results of each election since confederation. After an elaborate analysis of the data he reached a most astonishing conclusion, namely that the Canadian voters outside of Quebec elected more members of parliament than those in the province of Quebec. From this strange conclusion he drew the inference that it would be necessary for the Conservative party, in order to form a minority government, to centre their attention on the maritimes, Ontario, the prairies and British Columbia.

As a test case, in order to try out this strategy, it was decided that these tactics would be put into effect at the convention which was being called to select the now Prime Minister as leader of his party. We all remember what happened at that convention. Well-established precedents of collaboration between the two main ethnic groups were broken. It was necessary to go back to Mr. Bennett's day 30 years earlier to find a precedent. No major proposals from the Quebec delegation were included in the party's platform. It become evident that it was impossible to ignore Quebec without being, more or less, openly against it.

An hon. Member: What do you know about it?

Mr. Chevrier: I know from the press and I have statements to confirm what I am saying.

Mr. Green: He is just promoting unity.

Mr. Chevrier: If my friend the Minister of Public Works (Mr. Green) will contain himself for a moment I will show who is for unity and who is not, because there was no greater example of national disunity than the events which took place at the convention which selected the present Prime Minister.

Some hon. Members: Oh, oh.

An hon. Member: You worry about your own convention.

Mr. Chevrier: The proof of that is that the Solicitor General (Mr. Balcer) had the courage to rise and to denounce the tactics which took place on that occasion. Not only did the Solicitor General denounce the tactics, he denounced his own leader. Moreover the Quebec delegation walked out of the convention in protest against what was taking place.

An hon. Member: That is not true.

Mr. Chevrier: The Conservative convention of December last ended in an open split between the two traditional wings of the party, and, as I said, with an unfortunate demonstration of disunity.

Mr. Hamilton (York West): You were a little afraid to pick your riding?

Mr. Chevrier: I do not need to be interrupted by my friend, who thinks he is very smart and who made the kind of speech a moment ago that deserves to be treated very lightly because it was light in every sense of the word. I realize that this is not very quotable in so far as my hon. friends opposite are concerned.

Mr. Cardiff: We are enjoying it.

Mr. Chevrier: But if I may be allowed to come back to what I was saying, I would like to state it was clearly shown at that convention, that it was possible because of the strategy of the Minister of Trade and Commerce to choose a leader without making any compromise with Quebec and indeed without the support and against the express will of the majority of its delegates. Throughout the campaign the same strategy was followed and systematically applied by the Conservative party which, in the rest of Canada, appeared to ignore the province of Quebec.

Now that strategy was apparently designed to gain the support of English speaking Canadians in one part of the country but it was not the only tactic used by the Conservative party in the last campaign. I have said earlier that since

Cartier's death there were in fact two very different Conservative parties in Canada, one in Quebec and the other in the rest of Canada. This fact was never more evident than during the recent campaign. While English speaking Conservatives were applying the new strategy, ignoring Quebec and accusing the Liberals of having surrendered to Mr. Duplessis, what was happening elsewhere? There was a French speaking Conservative party at work in the province of Quebec and I submit to you, Mr. Speaker, that the real leader of the French-speaking Conservative party in the province of Quebec was not the present Prime Minister but was the premier of Quebec.

An hon. Member: Same old story.

Mr. Chevrier: Just listen—I say that without the active support of the Union Nationale party of Mr. Duplessis there would not be one French-speaking Conservative member from Quebec in the House of Commons today.

An hon. Member: Rubbish.

Mr. Chevrier: If I am so foolish as my hon. friends in the front benches state I challenge the seven Conservative members from the province of Quebec outside the greater district of Montreal to rise in their places and prove that what I have said is not the case.

(Translation):

Mr. Lambert: A fine example of unity, isn't it?

(Text):

Mr. Deputy Speaker: Order.

Mr. Green: He asked for it, let him take it.

Mr. Deputy Speaker: May I remind the hon. members that they should not interrupt a member who has the floor.

An hon. Member: He invited it.

Mr. Chevrier: The two hon. members who have risen to interrupt me now—

Some hon. Members: Sit down.

Mr. Chevrier: —are men who were elected unquestionably with the support of the Union Nationale. There is still a lot of speculation going on in Canada about the nature of the political relationship which exists between the federal Progressive Conservative party and Mr. Duplessis' Union Nationale. There was one fact quite apparent to those who campaigned in the province of Quebec—and I happened to be one of them—and that was that in those areas and constituencies where the Union Nationale entered the field there was no doubt about who was the boss, there was no doubt about who dominated the scene and there was no doubt about who carried on and directed the campaign—it was the Union Nationale party and not the Conservative party.

Some hon. Members: That is not true.

Mr. Chevrier: The Conservative party did not only make a strange alliance but it carried on a very strange campaign. It proposed a platform which I am sure is quite unacceptable to the hon. members who are interrupting me now—and quite unacceptable to those who sit opposite in this house. I do not intend to recall in detail what these points were but I do want to put on the record a summary of the promises as indicated by the Solicitor General in several speeches during the campaign.

Mr. Fulton: Perhaps the hon. member will recall his party's alliance with Tim Buck back in 1945.

Mr. Chevrier: The Minister of Justice would do far better to look after his two departments, one of which he is poorly administering, rather than to interrupt me.

Mr. Fulton: I could do far better than listen to this sickening speech. It is a travesty of every feeling of national unity.

Mr. Chevrier: If my hon. friend thinks it is then all he has to do is to leave the house. I will carry on and I will refer to him towards the end of my remarks,—and not in a complimentary manner.

Mr. Fulton: I would not expect it.

Mr. Chevrier: Because he does not deserve compliments when in Montreal he goes down and threatens the province of Quebec.

Mr. Fulton: What nonsense are you talking?

Mr. Chevrier: My hon. friend will see just how nonsensical it is.

Mr. Brooks: The whole speech is nonsensical.

Mr. McPhillips: I would just like to ask the hon. member, what is the matter with Mr. Duplessis? Do you not in your province refer to him as Maurice the Magnificent?

Mr. Chevrier: Mr. Speaker, I should go on to put on record the policy of the Conservative party in the province of Quebec during the last campaign. While the Conservatives in the rest of Canada were accusing the Liberals of being dominated by Quebec, the Solicitor General and his friends were claiming in Quebec that the French-speaking Canadians had no voice and very little influence in the administration of the country

under the Liberal government. Moreover, the Conservatives in Quebec clearly implied that if their party were in power bilingualism would be established in the federal service and a much greater number of French-speaking employees would be appointed to top positions in the federal administration.

While the Conservatives in the rest of the country were accusing the Liberals of weakening the British and commonwealth connections the Solicitor General and his friends in Quebec were favouring the name "Chateau Maisonneuve" for the new C.N.R. hotel in Montreal and the adoption of a distinctive national flag. While the Conservatives in the rest of the country were promising increased old age pensions the Solicitor General and his friends in Quebec were stressing the need for increasing family allowances and, finally, the Conservative party in Quebec campaigned in favour of an ambassador to the Vatican.

I want it to be clear, Mr. Speaker, that I am not blaming the hon. member for Three Rivers and his friends in Quebec for holding such views, but I say in all seriousness that the Prime Minister should tell the house whether those members were speaking for the Conservative party in making these statements on time allotted to the national Progressive Conservative party and, if so, whether those electoral pledges will be implemented.

The Churchill strategy and what I might call the Balcer strategy, which I have just described, may compliment each other during an election campaign but once these two incompatible groups get together they do not operate in the same way in parliament.

In Dorchester, in Lotbiniere and Bellechasse, the Prime Minister had been more or less forced to follow the Balcer strategy by promising to appoint at least five ministers from Quebec if his party formed a government. However once the Conservatives took office the Prime Minister apparently decided not to keep his solemn promise to the electors of the province of Quebec. Borden tried and failed in 1911 to reconcile the two opposing trends in the Conservative party. In 1957, as in 1917, there has been no real attempt at reconciliation of these two tendencies.

During the first stage of cabinet formation —and we had two very painful stages of cabinet formation and it took several days, even weeks, to form the cabinet—only one French speaking Canadian became a minister. He was the president of the National Conservative association and a senior member and leader of the party in Quebec. However, as Solicitor General, he was not even given a department; he is assistant to the Minister of Justice.

Mr. Deputy Speaker: I am very sorry to have to advise the hon. member that his time has expired.

Mr. Chevrier: Mr. Speaker, I appeal to you on this basis—

Some hon. Members: Oh, oh.

Mr. Chevrier: On a point of order, Mr. Speaker, I appeal to you on the basis that when speeches are interrupted in the manner in which my speech has been interrupted by hon. members opposite—

An hon. Member: Nonsense.

Mr. Chevrier: —it is the custom in this house to allow an hon. member to complete his speech, or at least to use the time which was taken up by the interruptions, and I ask you to allow me to complete the remarks which I had intended to make.

Mr. Deputy Speaker: Is it the pleasure of the house to allow the hon. member to proceed?

Some hon. Members: Yes.

Mr. Pallett: Mr. Speaker, on a point of order, I am the next speaker in this debate and I have another engagement which requires me to catch a plane at a certain time.

Mr. Chevrier: I think I can complete what I have to say in just a few minutes so that the hon. member may be free to keep his engagement which, I am sure, is of an important nature.

Mr. Deputy Speaker: Is it the pleasure of the house to let the hon. member proceed?

Some hon. Members: No, no.

Mr. Deputy Speaker: I call on the hon. member for Peel.

Mr. John Pallett (Peel): Mr. Speaker, I regret very much that the hon. member for Laurier (Mr. Chevrier) who has just spoken was not here when the rules were amended so as to impose a definite time limit on speeches in this debate, since when courtesy has required that no one member should exceed the 40-minute period allotted to him in order that every one might have the opportunity to express their views.

I would also add, Mr. Speaker, that the maiden participation of the hon. member for Laurier when he came to the house in 1935 was much more effective than his maiden speech as a private member on the opposition side, because in that participation he made no comments whatever.

As to his remarks in French, they were a little better than his comments in English. He was kind in his comments in French, and it seems to me that when he referred to the

former prime minister he expressed thoughts that we all share. We regret, however, that when that right hon. gentleman was prime minister he saw fit to surround himself with people who did not have quite the democratic tradition that he has, and we regret that those hon. gentlemen still surround him.

As for the little comment which the hon. member for Laurier made in French that during the election never were so many promises made by so few to so many, I suggest to him that never have so few come so far so fast.

Mr. Pearson: Twenty-two years is a long time.

Mr. Pallett: I am very pleased to have the privilege, Mr. Speaker, of taking part in the debate on a historic occasion such as this. This is a very rare privilege. History was made when a ruling monarch opened parliament. There is no division in this country. All one had to see were people of both tongues turning from that monarch with a smile and a light in their eyes. To think that the hon. member for Laurier would suggest that there was a division—such poorness, such lowness, and many of us thought it did not quite fit in with the person who used once to be—I am sorry the hon. member for Laurier is leaving, because I am not finished with him yet—does not become the occasion.

Perhaps, of course, his general remarks can be taken as being on the same basis of accuracy as those in which he congratulated the mover and the seconder of the address when he said that he shared the same experience on his first visit to the house. I took the liberty while he was speaking of checking *Hansard* and found his name did not appear in *Hansard* as either the mover or the seconder of the address. Maybe we should give the same attention to the rest of his remarks as is indicated by the index to *Hansard* with regard to that particular comment.

I would like to join with others who have spoken in congratulating the Speaker on his elevation to that office. We have known him well, and we have admired him, and I am sure he will discharge his duties with alacrity and fairness. To the Deputy Speaker I wish to say exactly the same thing, and as for the mover and seconder of the address, they spoke with vigour, they spoke with intelligence and they spoke with a deep knowledge of the matters that they discussed, a combination which speaks well for this parliament and which augurs well for the future of this country.

When the Leader of the Opposition (Mr. St. Laurent) concluded his comments the other day I rather expected that all those people sitting behind him would get up and cross the floor and attempt to sit on this side of the house. Some of them might have to get used to sitting on the back benches here, though they had sat on the front benches before. But if the hon. gentleman is correct when he says he represents over half the popular vote of the country, is he being fair in not giving those people whom he represents an opportunity to express their views in the expected fashion?

If, on the other hand, the view of the members of the constituencies which his party represents are the same as the views of members on this side of the house, does he not think they should be given an opportunity to express those views, and soon?

It should be comforting to hon. members on this side to note that there have been other occasions when an amendment was not moved on the address, and they were usually followed in the ensuing election by a thundering defeat of the party which failed to move it.

On the subject of criticism: The Leader of the Opposition says he is not going to criticize; his party are going to make minuscule suggestions, but they are not meant to be taken seriously. He has placed an extra burden on hon. members on this side, but one which I am sure they will discharge with a full sense of their responsibility, a sense of responsibility which was completely missing on the government side in the last parliament.

We are quite prepared to perform a double function on this side; the government will introduce legislation and hon. members sitting beside and behind the government are quite prepared to criticize that legislation so that when it leaves this house it will be in a form as perfect as their efforts can make it. This was a matter in which, during the last parliament, hon. members then supporting the government failed in their responsibility, but I can assure the people who now make up the government that their own members will watch their legislation.

Do not be surprised if we criticize it because that is our function in this house. I also assure them, Mr. Speaker, through you, that knowing the lady and gentlemen who make up the government we have the utmost confidence that the legislation they introduce will be, not only sound, fair and well drafted but by and large will represent the views of the country as a whole.

The events of June 10 raised the horizons and opened new vistas for Canada. Canadians can now go forward in solid step, surmounting the supineness of the last 22 years. The step

will be quickened. It will be to good purpose if we follow a course of high principle and dedication and not one of expediency.

On the debate on the address it is customary to deal with some matters concerning one's own riding. I do so with no diffidence whatever because the county of Peel is one that owes a great deal to this country. We feel we are rather fortunate in that we have every means of transportation including road, rail, airport and deep sea water. We have ideal agriculture and the best industrial sites in Canada. Ours is a fast-growing, rapidly developing section of this country. A great many of the problems we meet, I think, are not unlike the problems that are met by the rest of the country and certainly our agricultural and horticultural problems are much the same.

We are pleased that the government has taken some steps to assist the agricultural industry. We anticipate that more steps will follow and that the agriculturists and horticulturalists will be enabled to receive their fair share of the national income.

I come next to aircraft production. In Peel county we have a large industry centring around the production of aircraft and employing many thousands of workers. It has been in the forefront of aeronautical activity for years. The workers in those plants cannot be allowed to be subject to the whims and vagaries of defence requirements as they exist from day to day. These workers are highly trained and skilled and constitute a valuable pool. It is up to the private industry in which they work and other groups to ensure that their employment is guaranteed. The future of Canada is in the air and we in Peel are fortunate that we can make such a marked contribution to that future.

The next matter with which I choose to deal is housing. Although we welcomed the announcement of the release of $150 million, that in itself is not and will not be sufficient. Our municipalities want housing developments and we are aware that such developments create employment. There is no industry in the county that of itself creates as many jobs as does housebuilding. We also know that in the development of subdivisions many problems arise. We cannot have new homeowners paying extra levies to take care of capital construction costs of services if we follow the principle of maintaining low-cost housing.

At one time the municipalities were prepared to accept the burden of this cost of providing services but today they cannot do this. I am informed a dominion-provincial conference will be held shortly. We anticipate—and we trust we are right in our anticipation—that moneys will be made available to the provinces to pass on to the municipalities to handle the cost of these new services so we as a federal body can provide the necessary low-cost housing and the accompanying employment which it is our responsibility to do.

Previous parliaments have seen fit to increase the funds set out for the elimination of level crossings in this country. Traversed as we in Peel county are by two main lines, both the Canadian National Railways and the Canadian Pacific railway, there are many level crossings in my riding which present both a problem and a hazard. I am pleased to say it is contemplated that one of the most serious and dangerous of those crossings will be eliminated with construction commencing in 1959. That is a perfect example of co-operation on three levels of government, if I may express it that way, and I welcome the announcement of the elimination of the crossing north of Port Credit on No. 10 highway.

I come now to a subject that has been mentioned on the floor of this house many times, the fate of the Long Branch rifle ranges. Much was said but not too much was done about this. It now appears that it can be said the ranges have been declared surplus and subject to the requirements of the Hydro Electric Power Commission of Ontario for the building of its massive generating plant, the lands of the city of Toronto can be dealt with and the balance may be referred to the municipality of Toronto township. That to me was a very welcome announcement. It will require a working out of details but I was pleased to learn that these valuable lands which have been dormant for so long can now once more be made useful.

We in the county of Peel and I am sure all hon. members of this house welcome the social security measures set forth in the speech from the throne. Because of our industry and the generally high level of employment the Minister of National Revenue (Mr. Nowlan) receives what we at least consider to be more than his fair share of the revenue from Peel county. We realize that with increased social services we will perhaps be paying a large portion of the cost of those services for other parts of the country. Nevertheless I say to this house we do not regret this situation in the least because we know that social services wherever they may be not only help the economy, but what is more important they assist those who are not able to help themseelves. The fact that we can participate in this way makes us proud of our present government in that it has seen fit to include mention of this type of legislation in the speech from the throne.

On behalf of my riding I wish to pay personal tribute to our Prime Minister (Mr. Diefenbaker). The hon. member for Laurier has not yet realized what has happened. There was a spark that lit the fire of democracy in this country. It has nothing to do with the division of the races. You know I have a name that is pronounced differently in Ontario from the way it is pronounced in Quebec. The hon. member for Laurier made a speech. It was different when he represented a riding in Ontario from what it is when he represents a riding in Quebec. This is the first time in this house that I have ever heard him make that type of speech. He made it because he is now from a Quebec riding. Read the speeches he made when he was from an Ontario riding. You will find they were quite different. If he wants a lesson on national unity let him read the speeches of our Prime Minister. There is a man we congratulate as a political winner, a man who knows how to put first things first and a man who has restored the jaunty step to Canadians.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, as a newly elected member I am pleased to be able to speak in the throne speech debate at this time through the courtesy of my colleagues. I was pleased with the promises implied in the throne speech but at the same time was very disappointed by the fact that the needs of the unemployed in the lumbering industry particularly were overlooked, or worse still, not recognized. The inflation that cuts into everyone's pocket and steals half the pay cheques of our workers creates an emergency situation that is in no way alleviated.

Many of the problems of my constituents are pressing and I must ask for some consideration from the house regarding those problems. As I listened a few moments ago to the hon. member for York West (Mr. Hamilton) I wondered whether he is afraid that perhaps his party will be forced to pass the legislation that we have all wanted and waited for for so long and which is only hinted at in the speech from the throne.

I come from a riding that is dependent to a large extent on the gold mining industry, the riding of Timiskaming, and I should like to say a few words on the Emergency Gold Mining Assistance Act and its position in my area. I was pleased to be able to read in *Hansard* of June 12, 1956, at page 4972, a statement by the Minister of Finance (Mr. Fleming) in which he said:

> I have emphasized, sir, that this measure—

He was speaking of the Emergency Gold Mining Assistance Act. I continue:

> —is no solution of the deep-seated problem of the gold mining industry. The difficulty and the flaw in measures of this kind is that they often lull the government and lull parliament into thinking that the problem has been solved, or at least the problem has been met for the time being. No hon. member should delude himself into thinking that this measure is any solution, even on the short-run basis, of the needs and the problems of the gold mining industry. These problems are going to require much more farsighted solutions than are offered by the hand-to-mouth, stop-gap type of assistance that we have in the present measure.

I wish to say that I agree wholeheartedly with his views, and we look forward to hearing something more very soon on the things that he said could be done for these people and these mines that are existing on emergency gold mining assistance, but we look at it from a different point of view. We think that the act did not go far enough. It did not go far enough for the simple reason that it offered no assistance to be made available to the mining communities and the miners in those communities. Some stipulation must be put in the act so that the workers in those communities and the communities themselves will receive some benefit from the assistance.

I believe the Canadian people have been pleased over the years to be able to do something for a situation which was not the making of the mining industry itself. As everyone knows, the price of gold is a set price. It appears to be much too low for the economy of Canada today. The situation has developed where the people of the mining communities have had to exist on wages that are substandard by all accounts, and certainly are not in keeping with the standard of living which is enjoyed by miners in other fields throughout Canada.

We have found that the assistance has been of little value to communities like Matachewan and Cobalt. Matachewan is an example where cost aid was paid and it did not eliminate the problems of those mines. They eventually shut down. We have found that although the people were willing to subsidize that industry no provision was made for assistance to encourage secondary industries to come into the community so that when the day comes that the mines disappear, when they are no longer advantageous to operate, there would be something for that community to turn to in the form of secondary industry. The people who have gone into the mining communities and established their homes in those communities should be given some consideration, even if it means that the government may find it necessary to subsidize secondary industries, at least in their initial settlement in that area, so that there will be some continuity in those communities and

they will not be left in the position that Matachewan, part of Kirkland Lake and a number of other communities find themselves in at the present time.

I think everybody knows the history of Cobalt. We have found that that town has continually suffered from booms and busts. Recently, the previous government had a contract on a long-term basis under which they subsidized the production of cobalt. Cobalt is a strategic metal and I think that even more than gold it should be considered when subsidies are paid. We have been subsidizing cobalt, as I say, but the term basis has disappeared and cobalt is no longer of any account. Cobalt is not even being developed. If it should become necessary to procure cobalt, in the event of an emergency, development work is not being done. In these mining communities they have not blocked out the amount of cobalt ore that remains in the mines. As a miner of many long years experience underground I know that the people in those mining communities must be given assistance, not only so that dividends can be paid but so that decent wages can be paid and working conditions can be improved in those mines. Consideration should be given to the communities in which the miners live.

In my particular area there is a large iron ore development. This development is taking place in a community called Dane. It requires some assistance to get it started. A large company has come in and bought up the rights. The ore is there. We have the miners available in the area but so far nothing has been done. We would suggest that the federal government give some consideration to subsidizing freight rates in that area in order to get this mine into production as soon as possible.

One of our primary industries in Timiskaming is lumbering. If there is a field that has been neglected in the speech from the throne that we are now asked to consider it is, I am sure, the lumbering industry. The white pine industry is faced this year with a situation where all its lumber is in the yards in Temagami and Matachewan. Throughout the White River area no lumber has been sold this year and very little was sold last year. This problem rests directly on the doorstep of the government and its tight money program.

In speeches that have been made we have heard references to the sum of $150 million for housing. It would appear to me that the $150 million is not going to be of much more benefit than the money available before because the working people are not able to buy or build houses on account of the great difficulty they have in obtaining the down payment. I would suggest that we should consider some of the plans that have been followed in the last few years and in the last few months, particularly at Blind River, Elliott Lake and Bancroft. At these places other methods have had to be used than those found under the National Housing Act to promote housing in those areas. I certainly hope that the government will consider extending the application of the methods used at these places with respect to down payments so that we can get the housing industry started again and get our lumber moving from northern Ontario.

I suggest that no solution for the sale of our lumber can be found by asking the producers to reduce the price because I do not think we will even then find any market for it. We are again faced with the problem of imports in the form of very fine plywood. By "fine" I do not mean that it is exceptionally good plywood; it is very thin plywood. In fact, we do not cut veneers that thin. This plywood is coming into Canada, and I suggest we are going to have to do something to expand our markets in the lumbering field so that we can market our products from east to west rather than from west to east as we are now doing.

In Timiskaming we have probably one of the finest agricultural areas in Ontario. We find in that area, as I think is true in many other areas, a great number of farmers leaving the farms. There is one particular township near my home in which at one time there were over 100 farmers and that area is now supporting only five full-time farmers. If the situation has not reached the catastrophic stage, in my opinion it has pretty nearly done so.

I should like to suggest that I believe the throne speech should have included something with regard to parity prices for farm products based on the cost of production of the product compared with the selling price that the farmer receives, parity being the amount of profit that the farmer could reasonably expect should be maintained.

We find farmers in Timiskaming growing some of the finest timothy seed that has been produced anywhere in Canada. During the recent election campaign the government's candidate suggested that if elected he would be able to find international markets for timothy seed. If such markets for timothy seed do exist then I ask the government to take advantage of them without delay so that some of our farmers who are finding it exceedingly difficult to exist at the present time will have a good cash crop.

Yesterday we heard something about rain and drought and have read about these things in *Hansard* in past years. In northern Ontario we are not particularly worried about drought but we are worried about rain and unseasonable weather. Our growing season is short and on many occasions we find ourselves not able to get our crops into the barns with the results that there is very little money for the family on the farm with which to live throughout the year. I suggest that some consideration be given by the Department of Agriculture to encouraging the provinces to set up crop insurance and, if it can be set up, help to finance such a scheme.

We also suggest that this could be extended to take care of crop failures so that something will be available to alleviate such situations. I should like to point out that last year the grain in the fields was not good on most of the farms in the clay belt of Timiskaming. When the farmers went to get seed grain in the spring they found they had to borrow money from the banks to buy it and that the price was out of their reach. The result was that inferior grain was planted, grain with a germination of only 15 per cent in some cases. I believe consideration should be given to alleviating this problem of the farmers in my riding.

I do not want to take too much time but I should like to say that in my riding there is a very large lake, lake Timiskaming. It is 85 miles long and a number of miles wide. On that lake there are a number of steamers. There is a pulp log flow through the lake to south Timiskaming pulp mills. There are a large number of private craft on the lake. At Haileybury the dock is such that it cannot even be used for docking a small boat and the dock at New Liskeard was destroyed by fire. I suggest that the Minister of Public Works (Mr. Green) should give consideration to the restoration of both these docks as they are vitally important to a number of people and are most necessary to the pleasure craft that make use of the lake.

I support the amendment because it will result in the realization of some of the promises made in the throne speech, because it deals with other problems that have not been mentioned that affect my riding and because it requests that immediate consideration be given to some of the larger problems such as national health insurance. Some protection must be afforded in the face of the disaster of rising unemployment, the disaster of low and in some cases negligible farm income and the rapidly rising cost of living. I ask the house to give consideration to these most pressing problems.

(*Translation*):

Mr. J. Armand Landry (Dorchester): Mr. Speaker, may I be permitted first to congratulate you upon your election as Speaker of the house. We are confident that, as your predecessors, you will do honour to the functions of Speaker by maintaining our parliamentary discussions on a dignified level and by being fair to all members of this distinguished assembly. I am also pleased to say how much I appreciated the form, the elegance and the delivery of the speeches made by the mover and seconder of the address in reply to the speech from the throne (Messrs. Smith and Arsenault), even though I confess that I do not agree with everything they have said concerning the government's program for this session.

Mr. Speaker, I feel I must take this occasion of my maiden speech in this house to go back to the last general election held in Canada, in the province of Quebec, and particularly in the fine constituency of Dorchester, since this election will no doubt go down in history as "the surprise election". As a matter of fact, neither the Liberals nor the Conservatives nor any other political group expected the defeat of the Liberal government.

The Canadian population was visibly satisfied with the St. Laurent government. The reverse would have been surprising since, under the Mackenzie King and St. Laurent administrations, our country, in war as in peace, has known a tremendous development and enjoyed its greatest prosperity.

It is for that reason that the St. Laurent government, at two general elections, has gained the greatest majorities of our political history, without resorting to fraudulent electoral means.

How is it then that the St. Laurent government was defeated at the last election? The explanation is simple: the Canadian people seemed so well satisfied with the external and internal policies of its government, led by a great statesman, the Right Hon. Louis St. Laurent, that the Liberal party was perhaps too optimistic, concentrating all its energies on the administration of the country without taking enough care to show, day by day, how efficient it was. I do not hesitate to say that the St. Laurent government was ahead of its time by eliminating from politics numerous things which form together what is called "electoralism".

There are many who claim that the government was so preoccupied with the continuing process of improving legislation and adminis-

tration, in the interest of the Canadian people, that it did not give sufficient thought to its own fate. However, in consideration of the moral and material progress for which it deserves full credit, history will grant it a *summa cum laude* degree of democratic generosity.

In a much more immediate future the Liberal party can expect another reward: its return to power.

After twenty-two years of uninterrupted government, during which so many marvellous realizations were achieved, it is normal that the Liberal party should regroup its forces in opposition. This is in accordance with the history of all the great political parties in the world. But there are already several serious signs indicating that the Liberals' stay in the opposition will be of very short duration; just time enough to brace up in this refreshing atmosphere. Here are some of those signs:

The memory of the Liberals' achievements is vivid in the people's mind. First of all, even if the Conservatives managed to get a few more members elected than did the Liberals, one must remember that the Liberals obtained 200,000 more votes than the Conservatives, and that it is the number of votes which more adequately reveals the popular appeal of the parties.

The general impression seems to be that the Liberals were swept out of power by accident; over-confidence in their victory at a time when, precisely, the Conservative party was labouring more than ever to improve its electoral machinery. In the opposition, the Liberals will not take long to tone down their over-optimism after twenty-two years of uninterrupted power. Not really expecting to get into power, the Conservative party made a great many promises which were so contradictory that the implementation of some would make it impossible to keep the others; but people always remember election promises, and always callously insist on their being carried out.

While denouncing what they called the incompetence and the mistakes of the Liberal system, our Conservative friends have put themselves under the obligation to prove these accusations once they were in power. Now our new ministers admit one after the other, and even publicly, that there are no scandals, no costly errors, and that very few things will be changed in the administration. This is decisive proof that the Conservatives have, let us say, far overreached themselves in order to find the "mote" in the Liberal party's eye, and to camouflage the "beam" in their own. Canadian voters will not be slow to recognize those who deceive them and those who tell them the truth.

But now, after having been fooled by the glaring campaign of the last election, which had blinded them, the people are already back on their feet, remembering the deeds of the Liberal rule, including the march of Canada to full nationhood, at the head of the middle powers of the world; the building, over years of very difficult international trade, of a prosperity which is the envy of all nations; a national machinery providing for the economical needs of our country for at least another quarter of a century; social security measures shielding the people from want; family allowances, pensions for the old, the veterans, the blind, and the disabled, unemployment insurance, and soon, I hope, health insurance, if the new government agrees to continue this highly social undertaking, so well started by the St. Laurent administration; a substantial and intelligent help to agriculture, for instance, the price support act; careful thinking, thorough research, and happy solutions to educational and intellectual problems at the national level; and finally, a true policy of national unity in accordance with the generous principles that have inspired the whole public life of a very great Canadian: The Right Hon. Louis St. Laurent.

These achievements and many others, we, Liberals, are here to make them prevail and to demand that they be continued by the present government, as well as to watch for the carrying out of the promises so lavishly made by our opponents, until the chivalrous revenge which we will no doubt obtain at the next election.

And if our friends opposite try to appropriate credit they do not deserve, for instance, if they continue to give the public the impression that the Liberals made an excessive use of patronage whereas they, Conservatives, abolish political favouritism, we will not fail to straighten the record by showing:

1. That the Liberal administration has made very little use of patronage.

2. That there is no more patronage to suppress in federal politics, and

3. That the change of advertising agencies already made by the Diefenbaker administration is a flagrant breach in this policy of non-patronage so loudly proclaimed by this government which has, so far, so cleverly played on the keyboard of illusions.

A record full of brilliant deeds, such is the record of the Liberals; bold promises and obstruction to the wonderful work of the Liberal government, such is the record so far of the Progressive Conservatives.

On the other hand, the Liberal party is united, while the Conservative party is suffering, and will suffer for a long time, from the disunity which marked the national convention of last fall.

Under those circumstances, it takes a lot of conservative faith to hope that the new government will live long.

Mr. Arsenault: We have that faith.

Mr. Landry: It is appropriate, I think, to say a few words about the last federal election in the province of Quebec. It has been said that on June 10 the Quebec vote was a sentimental one. This is not so. If the people of Quebec have been voting for the Liberal government, it is because on the federal scene, for over half a century, the Liberal mind has seemed far broader than the Conservative mind.

True, the fine personality of prime minister St. Laurent was an important factor. But this is due not so much to the fact that Mr. St. Laurent is of French origin through his father, but rather because he possesses an admirable combination of qualities which ideally fit him for leadership in a heterogeneous nation such as Canada.

And it is precisely because of that that, for two general elections, the party led by Mr. St. Laurent has gained the most decisive victories ever recorded throughout our political history, not only in Quebec, but also in English-speaking provinces.

May I also be allowed to recall the loyalty of the province of Quebec to Mr. Mackenzie King, former Liberal prime minister, whose deeply social and humane outlook has had a most salutary influence over Canadian society, in all respects.

The province of Quebec did not vote for sentimental reasons on June 10 last; it voted for reasonable ones. I would be the first to admit that Quebec, from a political point of view, is far from perfect. But please do not say that we voted sentimentally when we know that twice English-speaking Canadians voted with equal enthusiasm for the same liberal leader! We have paid homage not to Mr. St-Laurent's French name but to his true worth.

And I have no hesitation in adding that such an attitude is in keeping with the principles of true democracy as well as with the needs of Canadian unity and Canadian progress. Quebec need have no regrets concerning its attitude on June 10. And I do hope such will be the case for the country as a whole.

Mr. Speaker, at this point I would like to thank the electors of Dorchester who returned me with a good majority in spite of the coalition and alliance of the Progressive-Conservatives and of the Union Nationale who spared nothing to defeat me. In my constituency, as in many others, all opponents spent fabulous sums during the elections, as is the case in every campaign in which the Union Nationale takes part. This party is far richer than any other for reasons of which everybody is perfectly aware. In spite of everything the people of Dorchester have remained faithful to the Liberal party. And thanks to the young people of my constituency who, nearly to the last one of them, considered your humble servant and the Liberal party as the living impersonation of human liberty, I succeeded in overcoming the oppression of dictator or dictators who put all their faith in asphalt, concrete, brick or gravel rather than in the human value of their constituents. In my constituency as in those of Montmagny-L'Islet, Chicoutimi, Lapointe and so many others, the Diefenbaker-Duplessis axis was not successful.

Mr. Speaker, before proceeding with local problems, with which I must deal here in order to properly fulfil my duty to my constituents, I wish to express my opinion on a few general questions while proposing to deal at some other time with other problems of the same nature.

It is unfortunate that Canada should not have its own national flag. On several occasions, the former prime minister, the Right Hon. Mr. St. Laurent, has said with his usual and remarkable frankness that he certainly would like to see a truly Canadian flag but on the condition that such a flag be a factor of Canadian unity and not a cause of impassioned controversies and disunity. Should the government succeed in getting all to agree on the project of a truly and exclusively Canadian flag, it will have done a great service to our country, Canada.

I could say as much about a national anthem which should be a hymn of national unity heard with the greatest respect from coast to coast.

The government will soon have to choose a successor to the right hon. Vincent Massey as governor general. It is most important that the next representative of Her Majesty

the Queen of Canada be a Canadian citizen. Acting otherwise would be going backwards in our constitutional development. Now, if we want Canadians to have a truly Canadian spirit, they must be satisfied that their only country is Canada, and that it is a sovereign state, without any link of political dependence with either England or the United States, nor any other country. In this way, Canada will be on good terms with every other country and Canadians will all be each other's real friend.

Mr. Speaker, I ask the Diefenbaker government, which counts many friends among the Quebec Union Nationale party, to see that the scandal of political influence is stopped with regard to the distribution of old age pensions, and pensions to the blind and disabled. These pensions being paid partly by Quebec and partly by Ottawa, the present federal government should use its friendship with the Union Nationale in order to suppress this preposterous discrimination often affecting our senior citizens, as well as the blind and disabled in Quebec when they are not Union Nationale sympathizers.

May I, Mr. Speaker, now plead for the people of my own riding.

The riding of Dorchester, which stretches along the south bank of the St. Lawrence, is surrounded by the counties of Bellechasse, Lotbiniere and Beauce, as well as by the State of Maine. The riding comprises about 35,000 people who derive their main revenue from agriculture, lumbering, and the maple syrup industries.

In the part colloquially called the "lower county", the soil is rather bountiful and our farmers manage to live, in spite of the nearby cities and the lack of stability in farm prices.

In that part which is called the Upper county, the situation is different; one must go there to appreciate the courage and tenacity shown by our farmers in order to make their lands somewhat productive. Those who come to visit me are always surprised to see, in the fields, huge piles of rocks, which our farmers have removed from their soil. This made one of our good farmers say that he had to till his land, not in rocky earth, but actually in earthy rock. It has therefore become an act of heroism for our people to open up new lands or increase their tillage on lands which have become too small for their needs.

There is often much talk about people leaving the land. This applies to our district perhaps more than to anywhere else, because the land is not very good for agriculture. That is why, in order to prevent our people from leaving their lands, the government must carry on this stabilizing price policy and even, if need be, improve it so as to provide some measure of security to this large group of our population.

During the last federal campaign, our opponents promised they would increase support prices. I hope they will keep their promise. Here is an example: if we consider that the price of pork—support price, I mean, —is now fixed at 23 cents, such price, according to the Quebec farmers' organ, is but the actual cost price established at 23 cents, which means that any slight loss or accident occurring during breeding means a deficit for the farmer.

Of course, the price of pork, on the Quebec market, is now 30 cents, and perhaps 35 cents in some places; but it happens that many people, who are not farmers, take up hog breeding, the result being an over abundance of this product on the Canadian market. There is therefore, as in the past, a constant threat of a sharp decline in price on the hog market. Those who have begun to sell pork when prices were high are now giving up this business whereas our farmers must continue to live on the land and to accumulate repeated deficits. It would therefore be the proper time for the government to set the support price of pork at 28 cents at least, instead of 23 cents in order to stabilize our market and to allow our farmers to live.

The same holds true of poultry, that is of chicken, the price of which is now 23 cents. I am sincerely convinced that the government should set the support price of poultry at 27 cents.

And again, the same is true of eggs, the floor price of which is at present 38 cents instead of 43 cents, as it should be normally. We must not forget that the support price of these must cover the cost to the farmer of candling and grading, which amounts to approximately 5 cents a dozen. This means that the price of eggs falls to 33 cents when the cost price is fixed at 31 cents.

I would also suggest that the government reduce, on behalf of the farmers, the interest rates on agricultural loans. This rate, I fear, should not exceed 3 per cent, whereas it is now over 5½ percent.

As a consequence of the conditions just mentioned, it happens that our farmers, with support prices being so low and soil conditions so poor, have to find a living somewhere

else. That is why many of them go away for four, six or even eight months a year, to bush camps in order to support their families. Many go to Canadian bush camps (about 6,000) but a great many go to the United States.

For some time, the situation of lumbering has been more than alarming for our people. I am living in anxiety, with the approaching winter months, for hundreds of homes in my county because I know, for having visited many of them, that hardship will be their lot unless the problem is solved very early.

Several large companies have decided not to cut any lumber this year, and some others have reduced their operations by 50 per cent or even more.

Our bush-camp workers are therefore faced with a problem which will cause in my county such hardship as has been unknown since the 30's. This is an urgent problem for hundreds of families in my county, and I urge the government to consider it as such.

There is, I was assured, in the Unemployment Insurance Act, a clause providing for allowances in extremely urgent cases. I do believe that our bush workers, who now find themselves in a very difficult situation, should benefit from that clause of the unemployment insurance act.

That is why I feel that I must make here a few practical suggestions. The former minister of labour had started negotiations with the administration of the State of Maine with a view to creating a system of reciprocity between that state and Canada, for those of our workers who have to earn their living on the American side. It is well known that under the unemployment insurance act, our bush-camp workers who seek jobs in the United States cannot, when they come back, benefit from Unemployment Insurance, because they have not paid their contributions. I was told that several American states had accepted reciprocity with the exception of Maine and a few others. May I suggest to the Canadian government to keep up negotiations with those American states, in order that Canadians may receive the benefits of unemployment insurance when they come back home. They pay taxes in Canada, and even if they work in the United States, it is still in Canada that they spend their money.

May I also suggest to the government to lift restrictions on farmers who have to leave their land to earn some money, for a part of the year, either as bush-workers or otherwise. According to unemployment insurance regulations, as they now stand, bona fide farmers must have left the farm for a certain number of weeks. The officials concerned generally rule that a farmer who has left his farm for over 22 weeks, or more, in some cases, is eligible for unemployment benefits. This gives rise to constant criticism from our farmers. It also adds greatly to the work which must be performed by the officials of our various Unemployment Insurance offices.

I might also suggest that the district office of St. George de Beauce, which serves most of my constituents, be relieved of part of the load it has to carry. To begin with, the devoted officials at this point should be provided with healthier quarters. Their working conditions should be more humane. Does the department know that from January 1956 to December 1956 the amount of unemployment benefits paid out by this office was $1,106,831.80 as against a roughly equal figure, $1,072,890.50 for the period January 1 1957 to May 31 1957, that is for the first five months of this year, as against the twelve months of last year? Does it know that a total of 38,130 cheques have been issued by this same office? And all this has been accomplished by 16 permanent employees, seven more being employed by the national employment service.

I do feel justified, therefore, in asking that the crowded situation at this district office be remedied by the establishment in my constituency of a sub-office which would serve the parishes of Cranborne, Ste. Germaine, Ste. Rose, St. Camille, St. Louis, St. Cyprien, Ste. Justine and Ste. Sabine.

Because of the great distance between the parishes of St. Leon, St. Malachie and Frampton and the district office in Levis, these communities should also be detached from this office and come under the new sub-office which I would like to see the government establish in my constituency.

While facilitating the work of our employees, at the district office, this improvement would save a lot of money to the unemployed who are often obliged to travel to the district office to file their claim.

The maple syrup industry occupies an important place in the economy of my riding. In fact, every spring, hundreds of our farmers draw from our maple trees that delicious sap later made into maple syrup. Unfortunately, for a few years now, that industry has been suffering from a regression which discourages our producers. In fact, while the cost price of a pound of maple syrup is estimated at 21 to 22 cents, our sugar producers seldom get more than 20 cents a pound. Last year, the Dorchester Maple Syrup Producers Association had to be satisfied, for its production of more than a million pounds, with a selling price of 18 cents while the consumer often had to pay 30 cents, 35 cents and even,

in some cases, up to 50 cents a pound. Of greater consequence still is the fact that markets are now very scarce and that many of our producers still have on hand their 1957 production. Could not the government do, as it does for wheat, butter or for New Brunswick potatoes, make available to the maple syrup industry a certain amount which could be spent first to make this marvellous product known throughout our country and also to provide for a support price for maple syrup, thus ensuring the producer that his yearly production will be sold?

In my opinion, the support price for maple syrup could be set at 28 cents a pound and the government could undertake as it does for other products, to buy the surplus, if need be.

(*Text*):

Mr. Speaker, I now wish to say a few words in English on behalf of the several hundred people in my riding who do not speak French. The riding of Dorchester, like several others in Canada, comprises the two elements from which our country was formed, and I must say in this house that, to the satisfaction of all, the two groups get along beautifully in an atmosphere of harmony and mutual help. I am happy therefore to mention these English speaking voters and to assure them of my wholehearted devotion in the service of our riding. May I add, Mr. Speaker, that I am proud to represent such a beautiful riding as Dorchester and to be able, in this chamber, to speak on behalf of such an intelligent people.

I would like, on the occasion of my first speech in this house, to say a word about national unity because I am convinced that national unity is the essential condition of the greatness and strength of our country. Although I am an ardent and earnest follower of Laurier, King, Lapointe and St. Laurent, I have nonetheless deep admiration for Sir John A. Macdonald, who was a Conservative and the co-founder of our Canadian confederation. It was Sir John Macdonald who, on February 17, 1890, in reply to Dalton MacCarthy, an influential Conservative of that time, had this to say—and I am translating now from the French version of the original text:

> I have no accord with the desire expressed in some quarters that by any mode whatever there should be an attempt made to oppress the one language or to render it inferior to the other . . . There is no paramount race in this country; there is no conquered race in this country; we are all British subjects and those who are not English are nonetheless British subjects on that account.

That, Mr. Speaker, is the language of justice and truth and it serves the cause of Canadian unity infinitely better than the slogan repeated here and there during the last electoral campaign in a spirit that is very demagogic but not at all Canadian: "We do not need Quebec to form a government."

I hope, Mr. Speaker, that such provocations will no longer slow down the march of Canadian unity.

(*Translation*):

Mr. Speaker, I wish to conclude my first speech in the house on a note of national unity because I am convinced that national unity is the primary condition of the greatness and strength of our country.

As I just said in English, I am an ardent and staunch follower of Laurier, MacKenzie King, Lapointe and St. Laurent, four great statesmen who particularly concerned themselves with national unity. I have nonetheless great admiration for Sir John A. Macdonald a former Conservative leader and a co-founder of the Canadian confederation with Sir George Etienne Cartier and other illustrious representatives of both great races making up Canada, the English and the French. It was Sir John A. Macdonald who, on February 17th, 1890, replying to Duncan MacCarthy, a very influential Conservative member at the time, said:

> I have no accord with the desire expressed in some quarters that by any mode whatever there should be an attempt made to oppress the one language or to render it inferior to the other. I believe that there could be no success in such an attempt and it would be a folly and a malicious thing to do, if it were possible. The statement made that Canada was a conquered country was certainly unhappy.
>
> Whether Canada has been conquered or relinquished, we have a constitution whereby all British subjects are equal, having equal rights in matters of language, religion, property and as individuals. There is no paramount race in this country; there is no conquered race in this country; we are all British subjects and those who are not English are none the less British subjects on that account."

That, Mr. Speaker, is the language of justice and truth which serves the cause of Canadian unity so much better than the slogan repeated here and there during the last electoral campaign in a very demagogic but by no means Canadian spirit "There is no need of Quebec to form a government."

I do hope that such provocations from one side or the other will cease delaying the progress of Canadian unity.

In the circles of the St. Laurent government, which know how to direct the minds towards a generous ideal of Canadian unity —an ideal which is neither French nor English but intensely and profoundly Canadian—no such provocative language is heard from the leaders of that party.

More than his predecessors, Mr. St. Laurent has endeavoured to educate our public men with regard to national unity. In his own party he has forged a spirit so generous, so

broad, so Canadian that, even after his departure—which he has unfortunately announced for the near future—the Liberal party will remain the champion of national unity in Canada.

That is why I am a Liberal, Mr. Speaker; that is also why I call upon the public, and particularly on our friends opposite, to find out about the true doctrine which inspires Liberal policy in matters of national unity as well as in other matters of Canadian life. To the extent that there will be sincerity of effort, there will be great cause for gratification.

(*Text*):

Mr. T. J. Irwin (Burnaby-Richmond): Mr. Speaker, I have heard over the years of attacks of butterflies in the stomach and jittery feelings when a member arises for the first time to address any legislature and particularly this House of Commons. Well, sir, this is the first time in seven sessions I have had the honour and pleasure of addressing Mr. Speaker and I am frank to say I do not feel too badly about it. True, six of these sessions were spent by me in the provincial legislature and the reason for my reticence in addressing the house then was founded on the fact that when a person occupies the position that you do, sir, and is found talking to himself he is looked upon with a large degree of suspicion.

I want to congratulate you, Mr. Speaker, on your elevation to the high position you now occupy as first commoner of this country and Speaker of this House of Commons. It is indeed a position of great honour and responsibility and I feel you will fill it with honour and dignity. I feel it incumbent on myself to assist in this matter by behaving in an ordinary rational manner.

May I congratulate, too, the hon. member for Calgary South (Mr. Smith) and the hon. member for Bonaventure (Mr. Arsenault) for the able manner in which they moved and seconded the address in reply to the speech from the throne or, probably more correctly, the causes of summons.

Contrary to the opinion expressed by an hon. member on the opposite side of the house who rather regretted the fact that the proceedings of parliament were televised on opening day I wish to congratulate those persons who were responsible for televising the opening of parliament. Even granting the rights of hon. members of this house to preserve it from the invasion of outsiders, the rights of the Canadian people to see and hear what is going on in this house do have some place in the annals of this country. I believe that radio and television are an extension of the press. While technically members of the press are not in this house I fail to see that television and radio invade the rights of this house any more than the presence of the press reporters. At least radio and television are factual and not expressions of opinion as to the proceedings.

The constituency which I have the honour to represent is a reasonable cross section of the industrial life of this country having within its boundaries a large number of small industries and many large ones. Also, we have extensive fisheries on the Fraser river and much shipping in the same area.

On examining the text of the speech from the throne I am afraid that my constituents are going to deluge me with queries as to the effect of some of the matters mentioned therein because it is a somewhat nebulous document. I feel it could have been a little more precise in giving the people of this country, and those in my constituency in particular, a feeling that the government intended to implement all the delightful promises that were dwelt upon by my opponent in the election on June 10.

The needs of our senior citizens in the light of rising costs are particularly urgent and already some question has arisen as to the implementation of the extent to which old age pensions should be supplemented. Newspaper reports, which are of course notoriously speculative, have given rise to some doubts in this matter and I sincerely hope the government will go the full distance suggested during the election. Specifically it is to be hoped the government will make it its business to see that the regulations under which the means test is applied are ameliorated to a degree that will permit the participation of a greater number of people who have reached the age of 65.

I am quite well aware, as I was told by the Minister of National Health and Welfare a couple of years ago, that the government denies any responsibility for these regulations but the fact remains if the Department of National Health and Welfare is going to insist on either accepting or rejecting regulations that are sought by the provinces then that department is responsible to that extent for those regulations.

The allowable income under the old age pensions regulations is too restrictive. I am quite sure the government will agree that $46 a month is an impossible income upon which to live in most parts of this country and yet the allowable income, unless it has been raised recently, is only $840 a year. I earnestly suggest that the government give this matter close scrutiny with a view to alleviating these conditions.

The foregoing remarks regarding old age pensions are most emphatically applicable to war veterans allowances and I sincerely hope the government will adequately implement its promise to see that conditions are made easier for these unfortunate people who have given their services to their country and are now unable to care for themselves. I would like the government to consider altering the regulations for the War Veterans Allowance Act to permit those men who served in the first war and who did not get any further than Britain and are therefore classified as not having served in a war area to be included as eligible for war veterans allowances. It must be remembered that a great many of those men who did not leave Britain were held there for the reason that they were over age. Sure, they lied about their age, but they put no strings on where they were going to serve; they were willing to go anywhere, but because age or health prevented their going any further than the British isles the government has thus far taken it upon itself to rule that they are not eligible for assistance under the act. Certainly they lied about their age, but so what? They were interested in the welfare of Canada and they offered their lives in its defence.

Many of these men have reached an advanced age now. I know one old gentleman who is 92 years of age. He served in the first war under the conditions I described and is now in receipt of only $46 a month. He is not eligible for assistance or treatment under the War Veterans Allowance Act and is forced to live on the paltry sum of $46 a month. I regard this situation as desperately unfair.

There is another class of people that should be considered and that is the widows of war veterans' allowance recipients. When a disability pensioner dies and leaves a widow she is eligible for a pension which may be considered reasonable but the widow of a recipient of the war veterans' allowance is eligible only for a widow's pension and thus is in a different classification from the widow of a disability pensioner. It would be well to ask why, because both are the widows of ex-servicemen and surely there should be no discrimination as to their status.

Another class that has been discriminated against in my opinion is the Imperial veteran. I feel, Mr. Speaker, that when these men or women comply with a reasonable residence qualification,—and I do not regard 20 years as reasonable—they should be eligible to have their pension from Britain raised to the same level as Canadian pensions for the same percentage of disability or they should at least receive their British pensions in Canadian currency at the old par of $4.86.

At the moment there is a post office in my area which was established under conditions which were not altogether favourable for its establishment. It is a rented building and was built specifically for the Post Office Department but it is in an unfortunate position. It is over to the one side of the area in which I have the honour to serve. It is not central. I believe the lease expires in December of this year and therefore it will be necessary to renew the lease. I sincerely hope that the department of the Postmaster General (Mr. Hamilton) will regard this building as being inadequate for the needs of my constituents.

My constituents and I look forward to the establishment of a dominion government building in that area which will serve the needs of the 80,000 people who are residents of Burnaby at the present time. I am sure the hon. member for Burnaby-Coquitlam (Mr. Regier) will agree with me that Burnaby as a whole has now arrived at the point where it is entitled to a federal building to house all the various departments of government which are necessary in that fast growing area, and I would respectfully request that the Minister of Public Works give that matter his earnest consideration.

I note there is some indication that this government proposes to co-operate with the provinces in the development of natural resources. Nowhere in this country, Mr. Speaker, will this government find greater scope for activities of this kind than in British Columbia, and from no other source will it reap greater reward. The growth of population in British Columbia since 1941 is 23 per cent higher than the next highest province, Quebec, and nearly twice that of the Canadian average for the same period. This puts a terrific strain on provincial health and welfare services; for the equable climate of the southwest corner of the province makes it a mecca for those seeking refuge from the more rigorous parts of the dominion and the opportunities for advancement hold out an inducement to young men and women to establish themselves and their families there, thus accentuating the pressure on our educational system.

What should be of interest to the dominion government, Mr. Speaker, is the fact that the development of British Columbia's natural resources is a veritable pot of gold for the dominion government and yet comparatively it has done nothing in past years but milk the prolific British Columbia cow that has been fed and nurtured by British Columbians. The 1940 report by the Rowell-Sirois commission on British Columbia at page 11 says that the population increase in that province has been greater than in any other province

in this dominion and because of that the pressure on the provincial government is terrific. It is even more important to consider that opinion today because the development in the past seven years has been phenomenal.

The commission to inquire into energy resources, so recently appointed by this government, will in all probability hit a snag in Bill No. 3 passed by this house some three years ago when it considers the development of the Saskatchewan dam. This will also be true of the development of the Columbia river. The water rights act and its regulations in British Columbia are recognized as a pattern for that type of legislation throughout the world and this government would do well to study it, look at some of its effects, and then place their faith for a right and proper development of British Columbia water resources in a government that has the interest of the people of British Columbia at heart.

What benefits British Columbia will benefit Canada, and vice versa. This government will find that co-operation will bring results and to that end the Pacific Great Eastern railway should be of special interest. This railway, stretching as it shortly will from Fort St. John and Dawson Creek to rest its head on the shores of Burrard inlet, taps one of the greatest sources of wealth in this country and offers a scenic trip that is unequalled in a country richly endowed with majestic beauty.

The hon. member for Calgary South made mention of a suggestion that the mayors and reeves should be brought into consultation with the dominion government because they could probably contribute to discussions on dominion-provincial relations. In my opinion the most potent contribution they could probably make is that of convincing themselves that they have sufficient trouble on their hands with their creators, the provinces, without taking on another creation of the provinces, the dominion government.

If the provinces make it their business to maintain their autonomy they will be doing something worth while. This autonomy is slowly but surely slipping from them. Take a look at the Canada Year Book. In 1949 the division of public revenues was as follows: dominion government, 52 per cent; provincial governments, 27 per cent; municipal governments, 21 per cent. Look at it for the year 1956. It is as follows: dominion government, 72 per cent; provincial governments, 17 per cent; municipal governments, 11 per cent. There is a danger arising out of a continuation of that trend. The municipalities are the form of government closest to the people. They provide the facilities to make life pleasant, but if their creators, the provinces, are to have their revenues absorbed by the dominion government to the extent indicated, then they are fighting a losing battle.

I find when I look at the question of the division of this revenue that the provincial governments are being hard put to it from year to year to make it their business to see that the municipalities receive the assistance they should get. The taxation on land values and improvements in order to provide revenue for the municipalities has gone just about as far as it can go as far as the owners of property are concerned, and I feel the time has come when the dominion government should make it its business to relinquish some of the hold it has on public revenues in this dominion and leave more of them available to the provinces so that the municipalities may be assisted in looking after the welfare of the people.

It would appear that the Leader of the Opposition (Mr. St. Laurent) feels that there should be some material difference between the policies pursued by the Liberal government and the one now in office. This group has been telling the public of this country for many years that there is no material difference between the two parties, and under the present circumstances the remarks of the Leader of the Opposition prove that assertion. If further proof is needed, it comes from the Prime Minister himself, for on at least two occasions during this session he has used the term, "since we came to power". If he had said, Mr. Speaker, "since we came to office", I would not have thought too much about it, I would not have commented upon it, but may I point out that the use of that word "power" has unfortunate implications. We have had some years of that already. Are we due for some more of the same? I hope not.

This government has my sympathy, Mr. Speaker, not because it is a minority government. That should not worry them too much, for so long as this government is prepared to bring down legislation that is in our opinion for the benefit of the Canadian people we will go along with it. We will help them out. In fact, we will help them out in more ways than that. We are prepared to step in and give them the benefit of our advice in these matters.

Mr. Winch: Any advice from the Canadian Legion in Cloverdale?

Mr. Irwin: Well even that advice might be very valuable. So far as I am concerned, my sympathy is based on the fact that we as a country are merely getting a deal from a minor shuffle of the old deck of political

cards. We as a people want, not only a new deal, we want a completely new deck of cards. Furthermore we do not want the deuces wild and we want the jokers removed from the pack too.

The old line parties have nothing to offer but rehashes of outworn policies that bring no relief to the Canadian people as a whole. We have had 12 years of the Bretton Woods agreement, and its concomitant stupidities which have cost Canada her overseas markets. There is only one reason for production and that is consumption. Canada does not care where her consumers live. We have the capacity to produce goods and services away beyond our capacity to consume. Other peoples do not have the capacity to produce their actual needs.

Let us go back to section 91 of the British North America Act, take unto ourselves as a parliament the right to control and issue our own purchasing power and not strangle our economy by leaving that function in the hands of a private monopoly. My leader put forward a subamendment to the address in reply to the speech from the throne and for the benefit of the house I want to repeat it. It is in these words:

> That all the words in the amendment after the word "once" be struck out, and the following be substituted therefor:
>
> "However, we regret that there is nothing in the speech from the throne to indicate that it is the government's intention to ask parliament to lay down a scientific, modern financial policy for Canada that will guide the Bank of Canada in its operations, bring about a speedy end to the present tight money policy, and effectively check the ever-rising cost of living."

The need of this country at the present time, Mr. Speaker, is to have the cost of living, which is rising at the rate of between 3 and 4 per cent a year, stabilized first of all and then slowly but surely reduced to the point where our dollar will resume a value that it has not had for the last 40 years. I appreciate the very close and kind attention I have received from the house and so far as I am concerned I will now take my seat.

Mr. C. E. Rea (Spadina): Mr. Speaker, first of all I should like to extend rather special congratulations to the Speaker because he happens to come from a riding right next to mine. I have known him for many years and have no hesitancy in going along with what the Prime Minister (Mr. Diefenbaker) said, namely, that he will do an excellent job. To the Deputy Speaker I also offer my congratulations. While I am extending congratulations, I should also like to congratulate the mover (Mr. Smith, Calgary South) and the seconder, (Mr. Arsenault) of the address in reply to the speech from the throne.

I am inclined to think that I am only echoing what has been said by other members when I say that because of the young men who have joined the Conservative ranks in the house our party is truly in a healthy position and this augurs well for the future of Canada. It is something of which we on this side of the house are very proud.

While talking about that, let me mention a couple of other things. Besides the people of various racial origins whom we have in the Conservative party and in the house, we have two ladies in the house, one of them the first cabinet lady in the history of the country. We have several Ukrainians, one who is a minister, and to complete the picture we have a Chinese member for the first time in Canadian history sitting in the House of Commons on the Conservative side. I think that speaks very well that the Conservative party is truly a Canadian and national party.

I listened to the speech of the hon. member for Dorchester (Mr. Landry). He spoke in glowing terms of the unity of the English and French speaking people of his riding and how by working together they became true Canadians. With that I fully agree. My mind also goes back to a speech made a couple of hours earlier today by the hon. member for Laurier (Mr. Chevrier), one who has had a great deal more experience than the hon. member for Dorchester. The hon. member for Laurier made a speech that to my mind was strictly a propaganda speech designed to destroy the unity of Canada. I have never heard such a speech before. I am sure that Quebec wants to be treated as one of the ten provinces of Canada and not as a province that has to be treated in a special way.

When one of our members was speaking he asked the other side why they did not change their minds and make us go to the people and the answer was "We do not want to let you fellows off the hook." We know who is on the hook. Those who are afraid to fight are on the hook. Do not worry about us.

To come back to the speech from the throne, hon. members have all heard it or read it and the comments about it are excellent. One can only come to the conclusion that for the first time in 22 years a party that has been elected to form a government is starting right at the beginning to put every election promise into effect.

Mr. Ellis: Reduce income taxes?

Mr. Rea: All you have to do is read the speech from the throne. Wait till the next one is brought down. It is going to be better. In

a country that is growing as fast as Canada and needs so many good people from various parts of the world I think we will all rejoice that the period it is necessary to live in Canada to qualify for the old age pension is going to be reduced. Just imagine what good news that will be for the older people who have come over here bringing with them their young people to contribute to the steady growth of our country. Their culture, which in many cases is hundreds and hundreds of years old, will eventually form part of what will be known as a Canadian culture. In this regard may I say I am sure the time will come when many people from what we now call the ethnic groups will be represented on the Canada council.

We have done a great deal, as have many other organizations, to try to help these newcomers to learn our language and understand our ways. I have often wondered whether those of us who were born here have ever tried to do our part in learning to understand the emotions and problems that have to be faced by these newcomers to our country. I am inclined to think that all of us should spend more time in this direction because while we are trying to teach these people our ways we are also being taught to understand their problems. It is only by this method that they will enter much faster into the various societies that Canada has to offer.

I also think that we are all trying sincerely to show these newcomers that we just have one class of citizenship in Canada, and that is first-class citizenship. The proposed legislation to decrease the length of time that one has to live here to qualify for the old age pension is something that will help to equalize all people in this country and it is certainly something which should have been done a long time ago by the do-nothing former Liberal government.

I shall just take a moment or two to speak about our senior citizens. We all know how long they tried to exist on the meagre allowance that was dealt out by the former government. Just before the election, of course, the government tried to bribe them with two extra cups of coffee each day. I should like to remind you of the proposal that has been made in the speech from the throne. I am sure these senior citizens are going to be very happy when this measure is actually implemented.

At this point I might say that there are no farmers in the Spadina riding, but we all know that if the farmers are successful then the remainder of the population in Canada is successful. We must operate as a team, and the suggested legislation will be of help to farmers in the future and therefore will be appreciated not only by the farmers but by everyone else in Canada.

Some hon. members may have heard me talk some time ago about the deplorable situation in the electrical fixture business. For example, a manufacturer who manufactures electrical fixtures in Canada must manufacture them according to very high standards and rules. This is essential for the protection of human lives. Unfortunately certain fixtures can be imported from the United States which do not meet these high standards. Naturally, because the manufacturers do not have to use high class materials, these fixtures can be manufactured a great deal more cheaply and constitute not only unfair competition for the Canadian manufacturer but put the lives of everyone who uses them in danger. The loss from fires resulting from faulty electrical materials runs into many millions of dollars a year, and the loss of life of course is appalling. Those who were here, I believe it was two sessions ago, will remember what happened in Ottawa and will realize the seriousness of this situation.

You can have the best firefighting equipment in the world, the best trained firemen in the world, but when a person uses what we might call the "killer type" fixtures, firemen with all their equipment do not have a fair chance. Not long ago I bought a set of Christmas tree lights which had been imported from another country. The country of origin was not stamped on the box. I want to tell you that if I had ever connected those lights to a socket the whole thing would have gone up in flames. These lights were purchased in a reputable store, but I do not believe the purchasing agent realized the situation. I showed them to him and he immediately withdrew what he had left on the shelf. You will note I said, "what he had left". There had been some sold and goodness knows what happened as a result. Since being in power this government has actually started to ascertain what can be done about this matter. I am sure that before long they will correct another oversight of the "don't bother me" former government because I tried to get the former government to correct this situation. Evidently it was too much of a problem because the provinces had to be consulted and they did not want to take the time to do that.

On motion of Mr. Rea the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Green: It is the intention of the government to continue with this debate on Monday.

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:

HOUSE OF COMMONS LOUDSPEAKER SYSTEM

Question No. 17—**Mr. Poulin:**

1. What was the cost of setting up the present system for the transmission of debates in the House of Commons, by means of microphones and loudspeakers?

2. Since the system was set up, what has been the annual cost of its maintenance and operation?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. $33,529.

2. Maintenance and operation — $20,000 per annum. Rental — $7,500 per annum.

HOUSE OF COMMONS

Monday, October 21, 1957

The house met at eleven o'clock.

PRIVILEGE

MR. CHEVRIER—REFERENCE TO REMARKS IN DEBATE ON OCTOBER 18

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I rise on a question of privilege. On Friday of last week the hon. member for Peel (Mr. Pallett) in referring to me, said this, and I quote from page 159 of *Hansard*:

Perhaps, of course, his general remarks can be taken as being on the same basis of accuracy as those in which he congratulated the mover and the seconder of the address when he said that he shared the same experience on his first visit to the house. I took the liberty while he was speaking of checking *Hansard* and found his name did not appear in *Hansard* as either the mover or the seconder of the address. Maybe we should give the same attention to the rest of his remarks as is indicated by the index to *Hansard* with regard to that particular comment.

Mr. Speaker, on January 16, 1939, I had the honour of seconding the address in reply to the speech from the throne in this house. That is a matter of record, and if the hon. member for Peel is the person I think he is, then he will do as a gentleman would in the circumstances.

Mr. John Pallett (Peel): Mr. Speaker, I would point out that the hon. member for Laurier did not share exactly the same experience, as he implied in his remarks, because he first appeared in this house in 1936. It was in that light that I made my comment, and if the hon. member had read my remarks more closely he would have seen that I was referring to the first occasion when he entered the house.

Mr. Chevrier: Mr. Speaker, again on a question of privilege, of course I understand the difficulty in which the hon. member found himself because I was speaking in French at the time. If the remarks are carefully followed there can be no doubt but that what I was referring to is exactly what was said at the time. If the hon. member wants to be fair to himself and to the house it seems to me he should at least take the position that the statement was made in accordance with the facts.

Mr. Pallett: Mr. Speaker, the rules of this house say the house must accept what an hon. member says, and if the hon. member for Laurier says it, it must be accepted by the house.

Mr. Speaker: I am sure the house accepts the statement of the hon. member standing in his place.

CANADA ELECTIONS ACT

AMENDMENT RESPECTING PRINTING OF BALLOT PAPERS

Mr. Ray Thomas (Wetaskiwin) moved for leave to introduce Bill No. 12, to amend the Canada Elections Act (ballot papers).

Mr. Knowles (Winnipeg North Centre): Explain.

Mr. Thomas (Wetaskiwin): Mr. Speaker, this bill is identical to one I introduced in this house on a previous occasion. The purpose is to provide that the political affiliation of candidates shall appear on ballot papers.

Motion agreed to and bill read the first time.

GRAIN

MEASURE TO PROVIDE CASH ADVANCES ON FARM-STORED GRAIN

Hon. Gordon Churchill (Minister of Trade and Commerce) 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 provide for the making of advances on account of initial payments for grain produced in the designated area, as defined in the Canadian Wheat Board Act, prior to delivery thereof upon undertakings by the producers thereof to deliver the grain to the Canadian wheat board; and to provide for the costs, expenses and other financial obligations required in the making of such advances; such measure to include such further related and consequential provisions as are necessary to give effect to the foregoing.

Motion agreed to.

WHEAT—REPORTED ANNOUNCEMENT OF GIFT TO INDIA

On the orders of the day:

Hon. L. B. Pearson (Algoma East): Mr. Speaker, I should like to ask the Prime Minister whether he has any comment to make on the reported announcement made at Bombay in India by the minister without portfolio, the hon. member for St. John's West (Mr. Browne), that a large gift of Canadian wheat is to be made to India, presumably under the Colombo plan?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have not seen the report. I will examine the report and give the hon. member an answer after having done so.

LABOUR CONDITIONS

UNEMPLOYMENT—INQUIRY AS TO LAY-OFFS IN B.C.

On the orders of the day:

Hon. James Sinclair (Coast-Capilano): Mr. Speaker, I wish to direct a question to the Minister of Labour. Is the minister aware that 1,830 plywood plant workers in British Columbia were laid off this week end with little prospect in view of employment; and if he is aware of this situation what plans has his department to provide these men with alternate employment?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, we have no information as to the number of men who have been laid off in the industry the hon. member mentioned. As to the plans, I wish to inform him that we will give this matter very serious consideration upon investigation.

PIPE LINES

TRANS-CANADA PIPE LINES—INQUIRY AS TO EXPLOSIONS IN MANITOBA

On the orders of the day:

Mr. A. M. Campbell (The Battlefords): Mr. Speaker, I wish to direct a series of questions to the Prime Minister. Has the attention of the government been drawn to the repeated explosions which have taken place in the Trans-Canada pipe line in Manitoba? Is any form of inspection being made by any department of government before the pipe is buried? If not, will the government consider making such inspection? What is the thickness of the pipe being used in this project?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the hon. gentleman was kind enough to give me notice of the several questions he has asked.

The answer to the first question is that the government has had its attention drawn to one or two explosions that have taken place.

The answer to the second question is no. After the completion of a job, or a series of jobs, the inspection that is made is made by the board of transport commissioners. Once the pipe has been laid, then, under pressure, gas is put through the pipe and the inspection is made to determine whether there are any weaknesses. Indeed, my information is that any other inspection, except under actual conditions, would not be effectual to reveal inherent or hidden defects. The responsibility for inspection has been placed by parliament on the board of transport commissioners.

The answer to the last question is that I have not been able to procure the information. I had a communication directed to the proper authorities but as yet I have not that information. When it is secured it will be given to the hon. gentleman.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask a supplementary question. Can the Prime Minister say whether the board of transport commissioners has made any report on the explosions that have already taken place, as to their causes or as to anything that may be done to prevent further such explosions?

Mr. Diefenbaker: I have no information in that regard, but will communicate with the board in order to secure an answer.

Mr. Campbell (The Battlefords): Does the Prime Minister not think it might be desirable to have an inspection of this pipe by one of his departments before it is put under the ground?

Mr. Diefenbaker: Mr. Speaker, the desirability, of course, would be determined by the results to be achieved. The information that has been given to me, based as it is on experience, indicates that any visual inspection or anything of that kind would not be effectual in revealing those defects which have brought about the explosions in question.

DOMINION-PROVINCIAL CONFERENCE

AGRICULTURE—REQUEST FOR RECONSIDERATION OF CANCELLATION OF ANNUAL MEETING

On the orders of the day:

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Will the minister reconsider his decision to cancel the annual conference of federal-provincial agricultural officials with the representatives of organized farmers to discuss current farm problems?

Hon. Douglas S. Harkness (Minister of Agriculture): I do not think there is any need to reconsider this decision. The decision was made in view of the fact that the provincial ministers of agriculture were all here at a meeting with me. The advisory committee on agricultural matters met here for two days. The federation of agriculture and the farm

unions both presented briefs to the new cabinet during the course of the past several weeks; therefore it was felt that no good purpose would be served by having a further conference. I might say that the great majority of people concerned who were consulted in regard to this matter before any decision was taken took the position that it would be better not to have a conference this year in view of the numerous conferences which had already been held in connection with those agricultural matters which would be normally discussed at the annual conference.

[*Later:*]

Right Hon. J. G. Gardiner (Melville): May I ask the Minister of Agriculture a further question on the matter referred to a few moments ago. I am not sure that I am clear as to what conference it is that he has decided not to call. Is it some conference that was convened and has been dropped?

Mr. Harkness: It is the annual agricultural conference—

Mr. Gardiner: The first week in December.

Mr. Harkness: —which is normally held the first week in December in the railway committee room. I might say that a further reason why it was not felt that it would be wise to hold a conference at that time this year is that the dominion-provincial conference which has been announced will likely be in session around that time.

REQUEST FOR REPRESENTATIVES OF MUNICIPALITIES TO ATTEND FORTHCOMING MEETING

On the orders of the day:

Mr. E. G. Hansell (Macleod): Mr. Speaker, I should like to direct a question to the Prime Minister. It is in connection with the forthcoming dominion-provincial conference. Would the government consider extending to the municipalities invitations to send representatives to the dominion-provincial conference, at least as observers?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the question of municipal representatives at a dominion-provincial conference would necessarily depend upon whether or not each of the provinces, which have set up those municipalities, so determines. That is not a matter for this government to give consideration to at this time, as I understand the constitutional position.

WATER RESOURCES

RED DEER RIVER DIVERSION—INQUIRY AS TO FEDERAL-PROVINCIAL AGREEMENT

On the orders of the day:

Mr. Victor Quelch (Acadia): Mr. Speaker, I desire to address a question to the Minister of Agriculture. Is the federal government prepared to enter into an agreement with the government of Alberta in order that an early start may be made on the construction of the Red Deer river diversion project?

Hon. Douglas S. Harkness (Minister of Agriculture): I wish to thank the hon. member for Acadia for giving me notice of his question. The government of Alberta has not requested that discussions for the construction of this project be reopened. Furthermore, I am informed that the land classification report is only partially completed, and until this is finished the engineering, power development and economic reports cannot be satisfactorily compiled and completed.

HOUSING

N.H.A. LOANS—INQUIRY AS TO LEGISLATION THIS SESSION

On the orders of the day:

Mr. Claude Ellis (Regina City): I desire to direct a question to the Minister of Public Works. Is it the intention of the minister to bring forward at this session amendments to the National Housing Act to provide loans with low down payments to the great number of prospective home owners in Canada who now earn incomes below the $4,000 figure?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I am afraid it will not be possible to bring in legislation of this type during this fall session because of the other matters which are on the program.

POWER

PEACE RIVER AREA—DEVELOPMENT SURVEY

On the orders of the day:

Mr. A. B. Macdonald (Vancouver-Kingsway): I should like to address a question to the Minister of Northern Affairs and National Resources. In view of the proposals of the Wenner-Gren interests with respect to power development on the Peace river, is the government contemplating any power development survey of this area in order to safeguard national interests?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): In reply to the hon. member for Vancouver-Kingsway,

may I say that this matter is under study at the present time by our department with a view to protecting the interests of the territories and other provinces that may be concerned.

NATIONAL DEFENCE

REDUCTION IN PERIOD OF MILITIA TRAINING

On the orders of the day:

Mr. Louis Deniset (St. Boniface): I should like to direct four questions to the Minister of National Defence. Is it a fact—

Mr. Speaker: Order. I should point out to the hon. member that a series of questions is hardly in accordance with the rules, but I will allow him to ask the first one.

Mr. Deniset: They are related questions of which I have given notice to the minister, and I would think that he would probably like to answer all four at the same time. The first question is: Is it a fact that there will be no summer camp training for the militia in 1958? Second, is it a fact that the training year for the militia has been reduced from 60 days to 40 days? Third, in the 60 day set-up there were 45 days for local headquarters training and 15 days for summer camp and other training. What is the breakdown, if any, of the new 40 day set-up?

Some hon. Members: Order paper.

Mr. Deniset: Fourth—

Mr. Speaker: Order. I think my first suggestion was the proper one. I would ask the hon. member to confine himself to the first question. It seems to me that a whole series of questions is not in order and should properly be put on the order paper. Would the hon. member mind repeating his first question?

Mr. Deniset: The first question was: Is it a fact that there will be no summer camp training for the militia in 1958?

Hon. G. R. Pearkes (Minister of National Defence): As I announced in the house the other day in answer to questions from other hon. members, it is intended that personnel of the militia will train next summer in camps with the regular units rather than militia units as such proceeding to camps.

Mr. Deniset: May I ask a supplementary question. Is it a fact that the training period for the militia has been reduced from 60 days to 40 days?

Mr. Pearkes: I think this question should be placed on the order paper as you suggested, Mr. Speaker. The answer in brief is that the training period for the militia for the coming year is 40 days.

[Mr. Hamilton (Qu'Appelle).]

R.C.A.F.—REPORTED ABOLITION OF AUXILIARY SQUADRONS

On the orders of the day:

Hon. James Sinclair (Coast-Capilano): Mr. Speaker, I should like to direct a question to the Minister of National Defence, based on an article in this morning's *Globe and Mail.*

Is it true, as is stated by the hon. member for York West (Mr. Hamilton), that the R.C.A.F. auxiliary squadrons will be abolished? If that is true, does he not think it would be better for him to announce it in this house rather than for the hon. member to announce it at a private gathering?

Hon. G. R. Pearkes (Minister of National Defence): As the hon. member knows, since the introduction of jet aircraft into the R.C.A.F. it has become increasingly difficult to maintain auxiliary fighter squadrons up to operational standards. When the supersonic interceptors are introduced these difficulties will be enhanced. The role of auxiliary squadrons will then have to be reviewed again. In the meantime the auxiliary squadrons are providing a reserve of partially trained personnel. However, emphasis must be placed on those forces that will provide the most effective deterrent to war. At this moment there is no intention of disbanding the R.C.A.F. auxiliary squadrons. If they are to be disbanded, an announcement will be made in this house if the house is in session.

Mr. Sinclair: I thank the minister very much. Then we can take it that the hon. member was misinformed when he made that statement last Saturday night.

COMMONWEALTH CONFERENCE

REQUEST FOR STATEMENT ON RECENT MEETING

On the orders of the day:

Hon. Paul Martin (Essex East): I should like to ask the Prime Minister if it is his intention to make a report soon on the recent conference of commonwealth governments which he attended in London?

Right Hon. J. G. Diefenbaker (Prime Minister): Yes, Mr. Speaker.

TRANSPORT

STATEMENT ON REQUEST FOR APPOINTMENT OF CONTROLLER

On the orders of the day:

Hon. George H. Hees (Minister of Transport): On October 18, 1957, the hon. member for Battle River-Camrose asked me the following question:

Has the Minister of Transport given any thought to the appointment of a transport controller with

the authority and responsibility of seeing that there is an equitable distribution of box cars in western Canada at all times?

Co-operation between the Canadian wheat board and the railway companies appears to be the most satisfactory method of dealing with this situation at the present time, and accordingly no consideration has been given to any other steps, although the matter will be kept under review.

ALBERTA-NORTHWEST TERRITORIES—RAILROAD CONSTRUCTION SURVEY

On the orders of the day:

Hon. George H. Hees (Minister of Transport): On Friday, October 18, the hon. member for Mackenzie River asked me if surveys are going on at the present time in regard to the construction of a railway from the province of Alberta to the south shore of Great Slave lake in the Northwest Territories. My answer at that time was "No".

Since then I have had further information and I should like to explain my answer. The president of Canadian National Railways, appearing before the House of Commons sessional committee on railways and shipping on March 19, 1957, stated that the Canadian Pacific and Canadian National, because of their joint interest in the Northern Alberta Railways, were currently bringing up to date a study with respect to the advisability or otherwise of building this line. It is my understanding that they are looking into the best route for the line to follow, its probable cost, and the probable amount of traffic which might be generated by the line. This study is being undertaken by the railways entirely on their own account, and I understand that it has not yet been completed. The report is expected later in the year.

[*Later:*]

Mr. M. A. Hardie (Mackenzie River): Mr. Speaker, my question is supplementary to the answer given by the Minister of Transport this morning concerning the survey of a railroad to Great Slave lake. Am I to take it from his answer that these surveys are being carried on behind desks in the railroad offices in Montreal? If so, would the minister take the bull by the horns and have his own department do the survey?

Mr. Hees: Mr. Speaker, surveys cannot be carried on behind any desks; they have to be carried on in the field with regard to the particular situation. That is being done, I am confident, in a very efficient manner by the railways, and I feel sure that a thorough investigation is being carried out and that we will be advised as soon as possible of the results of the survey.

SHIPPING

UNION STEAMSHIP LINES, B.C.—SUBVENTION PAYMENTS

On the orders of the day:

Hon. George H. Hees (Minister of Transport): The hon. member for New Westminster asked me if there had been any change in policy with respect to payment of a subvention to Union Steamship lines to carry cargo to the northern part of British Columbia.

The coastal shipping subsidy to Union Steamship lines in British Columbia, along with certain other similar subsidies, is presently under review, but I am not in a position to make any statement on this matter at the present time.

EXTERNAL AFFAIRS

SYRIAN-TURKISH BORDER—STATEMENT ON SUGGESTED USE OF UNITED NATIONS EMERGENCY FORCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): The hon. member for Algoma East asked this question on October 18:

In view of what appears to be a tense and dangerous situation on the Syrian-Turkish border, would the government consider instructing their delegation at the United Nations assembly to explore with other delegations, as a matter of urgency, the possibility of stationing elements of the United Nations emergency force on that border in the interests of greater security and the avoidance of aggression?

Mr. Speaker, the government has given consideration to the proposal that Canada take the initiative to explore the possibility of stationing elements of the United Nations emergency force on the Turko-Syrian frontier. In that connection I would refer my hon. friend to an answer he gave to me and the then member for Vancouver-Quadra on November 29, 1956, as recorded at page 136 of *Hansard*. On that occasion I had asked whether or not, in view of the situation in Syria and Jordan, consideration had been given by the secretary general to increasing the numbers of the emergency police force, and what requests, if any, had been received as to the allocation of members for that additional force.

I am not going to read the answers given to me and to the then member for Vancouver-Quadra. However, they set out the difficulties in connection with the setting up of such a force. In particular, if I understand the answer correctly, the reason no action was taken or

was to be taken at that time was that a fact-finding group was operating under the United Nations in that area. I proceed with the answer to my hon. friend's question:

As the hon. member knows, the United Nations general assembly is already seized of this matter. It seems to be making progress toward a United Nations solution. There are many ideas being considered, but the one best suited to the particular circumstances appears to be one which would involve the creation of an impartial fact-finding body to determine on the spot the causes of the present tension in that area.

I listened to my hon. friend last evening on his appearance on television. If I interpreted him correctly, his suggestion was that a UNEF force operating on the Turko-Syrian boundary would do so as observers and not as an armed force. That being so, the question seems no longer to be of importance because at this particular moment consideration is being given at the United Nations among the various representatives to the end of establishing a fact-finding body. The Canadian government will consider any proposal put forward by a fact-finding body including, if acceptable generally to the parties directly concerned, the possibility of setting up under the aegis of the United Nations a UNEF type force. Meanwhile one advantage of a United Nations fact-finding mission will be that its mere presence would have the desired tranquillizing effect.

In the light of the information now at the disposal of the government I do not consider it would be well advised to pursue at this stage the suggestion made.

HOUSE OF COMMONS

REQUEST FOR SHORTENING OF QUESTION PERIOD THIS DAY

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I do not want to shorten the question period but I wonder, having regard to the fact that half an hour has gone by and the labour congress representatives numbering several hundred are waiting for members of the cabinet, whether any further questions could be postponed until tomorrow.

I merely suggest this. I am not asking for any special consideration, but merely pointing out that these representatives of labour from all parts of Canada are here and waiting.

Some hon. Members: Agreed.

[Mr. Diefenbaker.]

BROADCASTING

REQUEST FOR EXTENSION OF SERVICES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I want to ask this question because it is one in which the labour representatives in my riding are interested. I wish to address the question to the Minister of National Revenue, who is so far away from me now that I almost need field glasses to see him.

In view of the fact that the royal commission on broadcasting reports there are still almost half a million Canadians without satisfactory radio reception, would the minister kindly inform the house what steps are being taken to correct this situation, naturally with particular reference to Kootenay West?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I thank the hon. gentleman for having given me notice of his question, though in fact I only received it on my desk after I arrived here this morning. I want to assure him that I miss him, and I hope that one of his intelligence will find himself some time sitting nearer me than he is at the moment.

In so far as his question is concerned, the hon. member refers to the extension of broadcasting services in this country which, in the terms of his question, are obviously the responsibility of the C.B.C. I have discussed this matter on various occasions with the corporation, and I can assure the hon. gentleman that this problem is receiving active consideration and attention from the corporation. Of course, the degree to which these extensions can be created and the time within which they can be provided would depend to a substantial extent upon the moneys made available to the corporation by parliament.

LIVESTOCK

REQUEST FOR FURTHER INFORMATION ON OUTBREAK OF HOG CHOLERA

On the orders of the day:

Mr. William Bryce (Selkirk): Mr. Speaker, I would like to direct a question to the Minister of Agriculture. Can the minister give the house any further information regarding the outbreak of hog cholera? Has it been checked, and have any public markets been closed?

Hon. Douglas S. Harkness (Minister of Agriculture): Mr. Speaker, yes. There have been no further outbreaks of hog cholera, and it is now thought that the outbreak which took place in the southern part of Ontario was an isolated case. All the swine which

were at the auction market at the time of this particular outbreak are being checked, and the tests on them will be completed soon.

COMBINES INVESTIGATION ACT

REQUEST FOR AMENDMENTS RESPECTING TRADE UNIONS

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, the remarks of the Prime Minister tempt me to say that the representatives of organized labour have been waiting a long time for a lot of things, and I do not think a few more minutes of waiting would worry them very much. I wish to direct a question to the Minister of Justice, and my question is this. In view of the minister's statement on Friday last that he has no authority under the Combines Investigation Act to direct the discontinuance of the investigation into the affairs of the united fishermen and allied workers' union, will he introduce amendments to clarify the intent of the act in order to ensure that trade unions in the future will not be subject to this sort of investigation?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, combines legislation generally is presently under consideration in my department and I can assure the hon. member that we will give very full consideration to the point of view he has just put forward.

UNEMPLOYMENT INSURANCE COMMISSION

BRITISH COLUMBIA—REQUEST FOR OPENING OF NEW OFFICES

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I have no desire to prolong this question session, but I directed a question to the Minister of Labour the other day. The minister did not have the information available at that time, and I wondered if it was available now.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, last week the hon. member for Skeena asked me a question regarding the steps being taken to establish offices of the unemployment insurance commission and the national employment service in the communities of Terrace, Smithers and Burns Lake, B.C. I understand, Mr. Speaker, that the hon. member communicated with officials of the unemployment insurance commission, and that they replied to him on July 2 with regard to this subject. In the circumstances, having read this letter, I do not think there is anything I can add to it at the moment.

Mr. Howard: A supplementary question, Mr. Speaker. What is the policy at the moment at ministerial level with respect to this question?

Mr. Speaker: Order. Questions of that kind are not such as should be asked on orders of the day, and when the house has before it the request of the Prime Minister, for reasons which he has explained, to curtail these questions today, I find I must rule this one out of order.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Friday, October 18, consideration of the motion of Mr. A. R. Smith (Calgary South) for an address to Her Majesty the Queen in reply to her speech at the opening of the session, and the amendment thereto of Mr. Coldwell, and the amendment to the amendment of Mr. Low.

Mr. C. E. Rea (Spadina): Mr. Speaker, in rising to complete the speech I began on Friday may I recall that I was talking about the national character of the Conservative party and pointing out the number of people of various origins who belong to our party. I would like at this time to point out one more hon. member, the hon. member for Hamilton East (Mr. Martini), who is the first Canadian of Italian origin to be elected a member of parliament by any party in Canada.

We have heard a lot from the hon. member for Laurier (Mr. Chevrier) who was giving all sorts of advice here on Friday to new members, and I think I should tell those new members something about this hon. member for Laurier.

As hon. members know, he was minister of transport in the years between 1945 and 1954; and while he was minister of transport he was, of course, one of trade minister Howe's "sputniks" circling fitfully around the same Mr. Howe and emitting subservient beeps. On top of that he left a terrific job not too long ago to take up a $27,000 a year job, and now he ends up with a $10,000 a year job. Now, when a man does that I would not pay too much attention to his political sense.

Some hon. Members: Oh, oh.

Mr. Schneider: Can't you be a little more mature?

Mr. Rea: The leader of the Social Credit party in his speech on Friday spoke about chickens coming home to roost. I think what he really meant as to where the chickens were going to come home to roost would be when the Liberals hold their convention in January to elect someone to head the broken-down, unorganized remnants of what was once a great Liberal party.

Mr. Gauthier (Portneuf): It still is.

Mr. Rea: Mr. Speaker, since the United Nations began meeting this fall it has been my privilege to be part of the Canadian delegation. I was present when the Prime Minister (Mr. Diefenbaker) spoke to the general assembly, and I am sure that regardless of party affiliations all of us were proud not only of what the Prime Minister said but the way he said it. I might add that the comments made by other countries following the Prime Minister's speech were glowing and complimentary.

I would like to speak for a moment or two about Israel, as I represent a riding where there are many Jewish people who are extremely concerned about this problem. As we all know Israel was created through the United Nations, and it should be the work of all the members of that organization, especially as they all read the articles of the charter and agreed to live up to them before they were accepted as members, to attempt to adhere to the articles of the charter. Yet in this present session of the general assembly several of the representatives of Arab countries have risen and slandered Israel. They have actually come out and said that under no conditions will they attempt to come to an agreement with Israel, or even sit down and talk to her.

Something must be done to put an end to that chronic state of unrest in the Near East, because if matters are allowed to continue as they presently exist they can only become progressively worse. I would like to quote a few comments made by Mrs. Meir, minister for foreign affairs of Israel, in her speech at the general assembly:

> Ten years ago on November 29, 1947, the general assembly passed an historic resolution providing for the establishment of a Jewish state. In May 1948 the Arab league states launched against Israel a war intended to destroy the new state. They failed in their attempt and a few months later Israel was admitted to the United Nations; and yet to this day these same states, despite their membership in the United Nations, refuse to accept the charter as the basis of their relations with Israel—a fellow member.
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> This long standing violation of the charter is a basic factor in the unrest and tension in our area. It has expressed itself in the illegal continuance by these Arab countries of a declared state of war, of belligerency, blockade and organized acts of hostility. It was directly responsible for the crisis of last winter which in turn led to United Nations intervention. It continues unabated to this day.
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> Shipping is once more passing through the Suez canal, but the conditions of passage are by no means satisfactory. As long as Israeli shipping is prevented from using the canal, the provisions of the 1888 convention will not be fully carried out, and the international character of the waterway will be infringed.

This discrimination against Israeli shipping is a flagrant violation of the security council decision of 1951, and of the six principles adopted by the security council in October, 1956. It is a part of the continuing breach by the Arab league states of the charter and of their international obligations.

In its failure to meet this challenge to fundamental charter principles the United Nations has not lived up to its responsibilities. The standard for observance by United Nations members must be the same for all. Equality is indeed the first condition for justice. This is a question not only for Israel but for every nation, for action in respect to one sets a precedent for all.

The apparent soft attitude of the United Nations in the face of Arab political terrorism and obstruction is unfortunately also reflected in the regional activities of the United Nations. This is something many people do not realize. The ramified boycott operations of the Arab league against Israel extend into the fields of health, education, agriculture, science and economics. In this tireless campaign the Arab states seek even to involve the United Nations and its specialized agencies, despite the fact that their constitutions expressly or implicitly outlaw every form of discrimination.

As a result, on the economic side for example, the Middle East is today the only region in the world without a United Nations economic commission. The regional office of the world health organization in Alexandria is inaccessible to one of the members of that region. The international civil aviation organization, the United Nations educational, scientific and cultural organization and the food and agricultural organization are other examples of bodies whose work has likewise been detrimentally affected. One is driven to ask whether the United Nations really has to accommodate itself to Arab tactics so that even its regional agencies are paralysed or severely handicapped in their efforts to secure higher standards of economic and social progress, of health and education for all.

The basic problem in Israel has been aggravated since 1955, when symptoms of the world struggle were introduced into the Middle East. Since then the great power rivalry has resulted in an increase in the offensive armed strength of those very states

which openly and repeatedly express their intention of attacking and destroying Israel. For Israel there is a special and unique danger in the fact that while Egypt and Syria are being flooded with arms from the Soviet union, other Arab states, no less vigorous in their hostility to Israel, are receiving arms from other quarters. Mr. Dulles has said:

> Those who feel an abnormal sense of power, as a result of the recent putting into their hands of large amounts of Soviet-bloc arms, are being incited against their neighbours by violent propaganda. And that, I say, is risky business.

Since 1948 Israel has received nearly one million immigrants, the great majority of whom are refugees, hailing from over 70 countries and from all corners of the world, including nearly 400,000 from Arab-speaking lands. Its population within nine and a half years has increased from 800,000 in the middle of 1948 to almost two million now, inclusive of some 200,000 Arabs living in Israel today. But above all, as Mrs. Meir has said, the state of Israel is proud of what has been done for the people. The great majority of those who came to Israel during these 10 years came either from the post-war camps in Germany and Italy or from Arab-speaking countries.

Practically each one from the camps reflected in his loneliness the destruction of all who were dear and close. These were the remnants of the six million, the Hitler slaughter of the Jews of Europe. Broken in body and spirit, they came to a country of hardship; yet at the meeting of desolate desert with victims of horror and destruction, both the land and the people have come to life. The desert has given way to cotton and wheat; forests and vineyards are covering barren hills, and with a new dignity and hope the settlers themselves bear witness to the unconquerable spirit of free man.

Just one more word on that point, Mr. Speaker. The Prime Minister talked about Turkey and Syria, and I think we have only to read the papers to know the seriousness of the situation. These are problems that are hard to solve, and I do hope that Canada will take a firmer hand to try to find a peaceful solution to those great problems that are facing the world. Perhaps we can do a lot in that direction.

While I am on this subject may I offer my congratulations to the hon. member for Algoma East (Mr. Pearson) on winning the Nobel peace prize. I must say that at the United Nations the endearing terms used about the former minister of external affairs were very glowing, and I think justly so. Just to show how he endeared himself to the people of New York, when the Prime Minister was down there he was staying at the Drake hotel. When someone wanted to meet him very badly he went up and rapped on the door and there was no answer. He said to the maid just coming down the hall, "Is the Prime Minister of Canada in?" She said, "Oh, is Mr. Pearson here?"

An hon. Member: Next year she will be right.

Mr. Rea: I tried but I could not find out whether that maid had ever lived in the Windsor area. I doubt it.

Mr. Martin (Essex East): They all think that way there, too.

Mr. Rea: While at the United Nations it was a pleasure to be joined by the new minister of external affairs, Dr. Sidney Smith. His ability and charm, even without a bow tie, were immediately evident. I wish to congratulate the Prime Minister on his excellent sales ability in making this important appointment possible.

Well, Mr. Speaker, I could go on with a lot of other things but there are other hon. members who want to talk. This is my first speech in the house from this side and after rereading the speech from the throne over the week end—and every time you read it you find something new in it—I think we shall be sitting on this side of the house for a long time to come.

Mr. Wesley Stuart (Charlotte): Mr. Speaker, in my opening remarks I should like to reply to a statement made by the hon. member for Spadina (Mr. Rea) just a few moments ago. He mentioned this broken-down Liberal party. Let me inform the hon. gentleman that the Toronto *Telegram* in a recent article said that the Liberal party was still the biggest party in Canada and that we polled half a million votes more than the Progressive Conservatives had received in the last election. We do not feel we are a broken-down party, and I believe those sitting on the other side of the house will be convinced that that statement is correct within a very few months.

Mr. Rea: Why don't you try it now?

Mr. Stuart (Charlotte): In the speech from the throne we were informed that this government would give financial assistance to the Beechwood project in New Brunswick. We all regret, and I say this sincerely, that this government has reneged on the generous offer made by the Liberal government only in the last session. When the proposals were placed before the governments of the Atlantic provinces at that time they were much more generous than the offer suggested in the

speech from the throne at this session. The estimated cost of the proposal made to the Atlantic provinces by the former Liberal government was $210 million, and I can assure hon. members that it is much larger than the amount suggested by the Conservative party in the speech from the throne. I would also suggest to the government that they might do a little more investigating before they move too far in that direction, because there are still many people in the province of New Brunswick who are of the opinion that thermo power can be generated in the province of New Brunswick more cheaply than power can be developed at Beechwood.

The leader of the official opposition described very well on Wednesday last the offer by this government, and I should just like to quote his words.

I quote from page 44 of *Hansard* of Wednesday, October 16:

> Evidently part of the burden of the wider program for producing and transmitting power in the Atlantic provinces which we felt should be financed entirely out of the federal treasury is being pushed back on the provinces. In the speech from the throne there was just the gentlest hint of tax changes. The language of the speech was in singular contrast to the vigorous and forthright language used by the Minister of Finance in June.

I believe the people of New Brunswick realize fully that the offer made to our province in so far as development of power is concerned was not really as generous as the offer made by the Liberal government last spring. The increase in old age pensions, which is suggested in the speech from the throne, will be welcomed by every person who is benefited by that service; but at the same time these people are well aware of the record of previous Tory governments in the field of social welfare. This government could well establish a record for all time by introducing for the first time in history some social benefit which would be welcomed by the Canadian people. As it now stands every single piece of social legislation on the statute books of this country was put there by a Liberal government. There is not a single piece of social legislation put on by anyone but a Liberal government.

Mr. Hodgson: Always as election bait.

Mr. Stuart (Charlotte): If there is such a thing as election bait I think all you have to do is look at the speech from the throne which was read here a few days ago, and you will find all the election bait that it would be possible to find anywhere.

For a few minutes I wish to review the attitude of the Conservative party past and present toward the fishing industry. When I go back to 1935 I find that in the dying days of that session—it was just six days before parliament prorogued—a bill was introduced in the House of Commons by Hon. Grote Stirling. He moved second reading of Bill No. 120 for the purpose of establishing in Canada a system of long-term mortgage credit for fishermen. Immediately upon his introduction of the bill the late William Duff from Antigonish-Guysborough rose and spoke on the matter. He pointed out the fact the bill was to be administered under the farm loan act and not in any way to be dealt with by anyone connected with the fishing industry. He also pointed out that $1,500,000 would be made available to fishermen under this legislation whereas, during the same parliament, $90 million had been voted for agriculture.

This is the treatment the fishing industry has received from the Conservative party as far back as I can remember, and this bill was introduced 22 years ago. Several members spoke on the bill, and one who spoke during the latter part of the debate was our old friend T. L. Church from Toronto, who has passed away since. He had this to say at page 4031 of *Hansard* on June 27, 1935:

> Part of the loan may be used to discharge liabilities already accumulated. The interest is not to exceed 8 per cent. It seems to me that is a very high rate of interest today, though I admit that so far as this industry is concerned, with the difficulty of getting loans, the overhead charges might be high. But 8 per cent is a very high rate of interest.

That is where the Conservative party left off in so far as the fishing industry was concerned in 1935. During the period they sat in the House of Commons, from 1930 to 1935, I was actively engaged in the fishing industry, and no one needs to tell me what the fishermen went through during that period. I had the sad experience myself.

I want to start by showing where the Conservative party make their start again in 1957. This is taken from a St. John's, Newfoundland paper. It is a Canadian Press report of July 8, 1957.

This is what was said by the Prime Minister (Mr. Diefenbaker):

> Discussing Britain's participation in the proposed European free market, Mr. Diefenbaker said Canada would take a benevolent view of this so long as commonwealth farm products were not included. He added that Britain also is inclined this way though some of the continental countries are not, and that the U.K. realizes such inclusion would be serious not only for Canada but also for Australia and New Zealand. He was asked whether he would include fish in the commodities that should be excluded.

This was the answer of the Prime Minister:

> "I don't think that's a very serious matter", he said.

That is the attitude of the Conservative government toward the fishing industry. I well remember the 1930's, when we were selling all the products of the sea for practically nothing, with no encouragement from the government of that time although other industries received some little encouragement. I well remember the position of the great canning industry in the county from which I come. We were purchasing cottonseed oil at that time from Great Britain. It was a commodity that was not manufactured or produced in Canada and came in duty free. When the Conservatives could find no other way to hurt that industry they placed a value for duty of $4 on the barrel in which the cottonseed oil was shipped. Everything was done to try to injure the fishing industry rather than to help it.

I remember when fish were delivered over the wharves for 20 cents a hundredweight. I sold sardines at that time for $1 a hogshead and may I point out that a hogshead contains 1,200 pounds. I worked nearly four years alone on the salt water because I was not able to take anyone along. I went through that period, and that was the encouragement that fishermen got from a Conservative government.

I can assure hon. members that the election promises that were made as to what would be done have been completely ignored. In the speech from the throne mention was made of the fishing industry, and I want to put the words on the record.

> My government will strive to secure additional markets for the products of our fisheries and to promote the development of international rules to safeguard the living resources of the sea.

That sounds good, but I can assure hon. members that it is insignificant when compared with the promises made to agriculture. When I came here in 1945 a Conservative government had placed a duty on sardines and lobsters coming from the state of Maine or any of the New England states into Canada. For years and years we had been shipping sardines, lobsters, any product of the sea into the United States without any difficulty. Those duties have been removed.

At the present time in the county of Charlotte the sardine canners have all available storage filled with canned sardines. Our groundfish producers, who produce salt fish, have everything it is possible to use, filled with salt fish. They have an enormous investment and they realize it will be a long time before there is any hope of any return. But there has never been any suggestion from the government of giving financial assistance of any kind. An article appeared in the Saint Croix *Courier* of Thursday, August 29, from which I should like to quote briefly. It is in these words:

> The disheartening job of removing large quantities of large pollock from weirs and selling them for about $4 a hogshead takes the tuck out of even the thickest skinned fisherman, who may be accustomed to hard knocks but has had about enough of them.

I should like to point out to hon. members that it refers to 15 hogsheads, or in that particular sale 18,000 pounds of pollock, being sold for $60. Compare that with the prices agriculture is receiving today. In other words, these producers received one-third of a cent a pound for one of the finest fish that ever came out of water.

During the past year lobsters were at the lowest price they have been in 20 years, 30 cents a pound, and in many cases in the State of Maine the fishermen took up their traps. I was talking to a crew of the best fishermen to be found in the bay of Fundy area, who have a dragger which I would think cost $35,000. I talked to them before I came here, and I asked how things were going. Their answer was that if they wanted to work for the oil companies or the engine manufacturers it was o.k. but they could not make anything for themselves by fishing because although there were all kinds of fish to drag, they could only get 3 or 4 cents a pound.

During the past two months in the county from which I come thousands and thousands of tons of sardines were put into fertilizer at $4 a hogshead. That is $4 for 1,200 pounds. The sardine fishermen have waited four years to get a catch of sardines. There were four lean years, but when the sardines did come the price was $4 a hogshead, $4 for 1,200 pounds. Again I would ask hon. members to compare this price with the prices that are being received by agricultural producers at the present time.

The government has also informed us that there will be a complete investigation in connection with the price spreads on agricultural products. I should like to know why one single primary producer is singled out for this service and all other primary producers are completely ignored. Why should there not be a price spreads investigation with respect to every primary product? Why is there this discrimination?

The government has also informed us that legislation will be introduced to enable them to make cash advances on farm-stored wheat. I have been a member of the house for 12 years, and on every occasion I have supported every single piece of legislation that was of benefit to agriculture. I regret that I

will not be able to support this measure unless the government decides to place all primary producers in the same category and give them the same consideration.

In the few days we have been here in Ottawa many members from all parts of Canada have ably described economic conditions in their areas. They have referred to unemployment and lack of markets for pulp and paper products, base metals, fish and others. Yet the only primary producers in whom the government would seem to have any interest or concern are the farms of Canada. In fact the very existence of other primary producers is being jeopardized in order to satisfy agriculture.

I refer to the tariff increases imposed by the government at the request of those engaged in agriculture during recent months. This action could very well result in the ruination and elimination of several branches of the fishing industry. I can assure hon. members that I am not only expressing my own opinion. I should like to quote from a bulletin issued by the fisheries council of Canada, an organization with membership in every province. It is composed of the greatest men in the fishing industry today. They have done and are doing a magnificent job, and this is what they have to say in the bulletin of July 29, 1957, with respect to the United States market:

> The Prime Minister of Canada has signified that his government will take a much firmer stand on trade matters with the United States in future and has already opened a barrage on the United States policy of disposing of surplus wheat and stated that efforts will be made to switch 15 per cent of our imports from the United States to Britain.
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> On increasing imports from the United Kingdom Mr. Diefenbaker will receive general support and from the fishing industry in particular. Indeed, this industry, on its own initiative, has gone to considerable trouble and expense to achieve this objective—and with good results.
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> However, on the question of a "farmer" stand on trade with the United States, the fishing industry has some definite reservations. Dollarwise, one-half of Canada's fisheries products are consumed in the United States market, amounting to sales of about $90 million annually. These sales are vital to the welfare of all sections of the Canadian fishing industry.
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> Efforts have been made on numerous occasions by various sections of the United States fishing industry to curtail fish imports. Since 1951 there have been three United States tariff commission investigations into the importation of groundfish fillets. Only the veto of the United States president prevented action being taken as the result of the last two investigations.
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> Current private bills in congress are aimed at a section of the Canadian lobster industry.
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> Mr. Diefenbaker's policy is disquieting, therefore, to the fishing industry. Will it maintain the friendly atmosphere in Washington which has been largely responsible for the fact that the U.S. market is still freely open to our products? May it not encourage the U.S. domestic producers to once again go after curbs on imports of fishery products?
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> Possible consequences to the fishing industry of such a policy should be carefully weighed before the government proceeds any further in this direction.

That is the feeling today on the Atlantic coast in so far as tariff changes by this government are concerned. I can assure hon. gentlemen that the views I am expressing here today would be endorsed by at least 85 per cent of the fishermen in the Atlantic provinces. Tariff protection, even in a small way, for agriculture could adversely affect every Atlantic coast fisherman. For 22 years we had a prime minister from either Ontario or Quebec, the two provinces which we would expect would be seeking tariff protection. We had ministers of national revenue from Nova Scotia and Ontario, but in all those years those men fought for the lowering of tariff barriers, not the raising of them. In fact, if you look back over the record you will find that Canada led the way, in so far as tariff moderation was concerned, at every international gathering where trade was discussed.

We now have a Minister of National Revenue (Mr. Nowlan) from Nova Scotia and a Prime Minister (Mr. Diefenbaker) from Saskatchewan, two provinces which certainly would not benefit from high tariffs. In my opinion they are selling the maritime provinces down the river. I had expected the Minister of National Revenue would be the first maritimer to protest any increase in tariffs which would have a serious adverse effect on those fishermen whom he so ably defended when he sat on this side of the house. I had hoped also that the Minister of Fisheries (Mr. MacLean) from Prince Edward Island would protest any measure which might be harmful to the fishing industry of his province, and particularly the lobster fishermen whom he knows so well. Where was the minister without portfolio (Mr. Browne), from that grand old fishing area of Newfoundland, when these tariff changes were discussed? Did he have any idea they would benefit the citizens he represents? The Minister of Veterans Affairs (Mr. Brooks) from New Brunswick, while he was in opposition, was a great friend of the fishermen. Why did he sit silently by and allow the fishing industry in his own province to be sold down the river? The actions of these gentlemen as members of the government are so different from their talk while sitting in the opposition that apparently that talk was just lip service.

Did these maritimers stop to realize that over 90 per cent of the lobster produced in the Atlantic provinces is sold to the United States and less than 10 per cent of that enormous production finds markets in Canada? Do they realize, as was pointed out in the bulletin issued by the fisheries council, that

more than 50 per cent of the fish produced in the Atlantic provinces are sold in the United States without any tariff barrier? We have always had that market open to us. At this very moment there is a bill in congress which, if adopted, would greatly curb the importation of Canadian lobster. I can assure hon. members of this house that it is a most serious worry to the fishermen of the Atlantic provinces.

These gentlemen I have mentioned, who now sit on the cabinet benches across the way, were great maritimers while in opposition. Since June 10, however, their interest would seem to have moved farther inland. They are now just yes men, regardless of the serious implications which may follow as a result of their failure to protest. I do hope that some of the members from Nova Scotia, who represent these grand old fishing contituencies, will get to their feet and express their views on this serious matter. It would appear that those from the Atlantic provinces who now occupy the treasury benches have three leaders, the Prime Minister, Hon. Mr. Frost and Hon. Mr. Duplessis; that is the opinion of many in the area from which I come. I can assure you, Mr. Speaker, this is a serious problem, because I have discussed it with the fishermen on both sides of the international border.

I live right at the border. Who could criticize the fishermen of the New England states for seeking protection from the importation of Canadian fish? No one could criticize them for that; because we are supplying the greater part of what is consumed in that part of the United States. However, the material to strengthen their argument for protection has been provided already by the government of this country. In other sessions we have heard statements from Progressive Conservative members concerning our trade and other activities with our friends in the United States. They had the answer to our trade deficit with that country. All they required was the opportunity to tell these Yankees where they fitted into the scheme of things. We listened to that line of talk on many occasions. We were told that the Liberal government was too easy going; they were taking too much from our friends to the south.

Only recently there were four musketeers selected to invade Washington for the very purpose I have mentioned. They left the capital city of Ottawa with great hope. It is not known if they took along some of the blasting powder that was left over from 1935. I have not been able to get that information. It is now quite apparent that their invasion was not a complete success. In fact it has been described in some quarters as a complete flop. Their approach to our friends in the United States was directly contrary to the views they expressed in the House of Commons as members of the opposition. It is quite apparent that their great knowledge of international affairs did not make headlines in either the United States or Canada.

The whole affair has been surrounded with secrecy. These men who, when they sat in the opposition, were always so insistent upon having an immediate report from any delegation of the former government which left this country are not making any report now. Their capitulation was obviously viewed with great suspicion by their hosts in Washington. It did not seem to have that ring of sincerity when coming from those who talked so differently year after year.

Mr. Harkness: The hon. member had better confine himself to something about which he knows something, because he does not know anything about this.

Mr. Stuart (Charlotte): I can tell my hon. friend that some members of the press in this country which have supported his party year after year have recently made disclosures which you do not like. One of them, the *Financial Post*, has aptly described this trip to Washington as the "brush-off". These hon. members sat on this side for years and told us what they would do to those south of the border if they were ever in the driver's seat. They did not want United States dollars to come into this country—

Some hon. Members: Oh, no.

Mr. Stuart (Charlotte): I am speaking about the facts. These hon. members were greatly worried about United States investments in this country. Everything the people of the United States did was wrong, and these members wanted the privilege of telling them so. The four musketeers went to Washington for that purpose, and what did they accomplish? We are trying to find out what they accomplished.

Mr. Martin (Essex East): We fixed them.

Mr. Stuart (Charlotte): I believe if you went back over the records of this country you would be unable to find a more humble bunch returning from any mission since the time of confederation.

In the years gone by we heard a lot of criticism of our Liberal government from those who sit across the way over the loss of British markets. We listened to that time after time. The markets referred to could have been regained at any time had we been willing to accept the prices Britain was prepared to pay. Those men knew that,

and so did we, but still they hammered away at the loss of British markets. Well, the free trade proposal recently offered to Canada by Britain was the answer to everything these men had requested during the past 20 years. It was exactly what they had talked about during the last 20 years, yet how was it received when they had the opportunity to rectify this great injustice? There is a very good cartoon in this week's *Maclean's* magazine, which again is a magazine that has supported the Conservative party down through the years—

Some hon. Members: Oh, oh.

Mr. Stuart (Charlotte): —It shows the Prime Minister holding the door against the British delegation, while the Ontario manufacturers are standing behind him and telling him "Hold on, John."

This is true to Tory philosophy. That is exactly what they have preached every session, and they can never change their spots. They believe in protection. As to this talk about trade with Britain, it was just lip service and did not mean a thing. The government had an opportunity to do something about it but what was done? Some day we may get an answer, but I feel that it will be a long time before we get an intelligent one.

It is quite obvious that when the delegation arrived in Ottawa no one here was prepared to talk with them. That is common knowledge today, and I think it was borne out to a great extent by the demonstration put on over television by the Minister of Finance (Mr. Fleming) in his weak-kneed attempt to explain the situation in which he said nothing, as usual. It was the most dismal display of nothing that I have ever watched on television.

Some hon. Members: Oh, oh.

Mr. Stuart (Charlotte): He took quite a little bit of time to explain the thing and, when he was through, he had said nothing as usual.

The Atlantic provinces and the western provinces would welcome this trade with Britain. The premier of Prince Edward Island has endorsed the proposal. In fact he said, "Free trade is what we want in the maritimes". It is to be regretted that some of the other premiers down there on the Atlantic coast would not take exactly the same stand and express the same opinion. It was only last week that there appeared in the *Financial Post* an article under the heading "Ike's reciprocal trade act backing may set off battle". Here the Republican president of the United States is trying to ease world tension by lowering the trade barrier between countries and making it less difficult for his people to understand the problems of others. I quote from the *Financial Post* of October 19:

> There is also a report that the president may ask for congressional authority to cut tariffs by 15 per cent over a certain number of years.
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> This is what he asked for and got in 1955, after a narrow squeak, through congress.
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> On the last renewal, however, Mr. Eisenhower had to agree to a crippling amendment tacked onto the law which opened a few more doors to protectionists by authorizing restrictions on imports for defence essentiality reasons.

I watched the manoeuvring in connection with tariffs. To me it has always been most amusing. As to these people who like to fly that flag of free enterprise and boast that they stand under it, the very minute they begin to feel the squeeze of competition they immediately run to the government for protection. I do not blame them for doing so. I blame them for calling themselves free enterprisers, because they are not.

If you people over there on the other side of the house would just stop and look at the situation and reason it out, you would see what I mean. What could be more disgusting or more unreasonable than for General Motors of Canada, the Ford Motor Company of Canada or the General Electric Company of Canada to come here to parliament seeking protection against General Motors of the United States, the Ford Motor Company of the United States or the General Electric Company of the United States? To me it does not make sense. That is what they asked for; yet still they fly that flag of free enterprise. But let them feel the squeeze, and the first thing they are looking for is protection.

At this point let me say, Mr. Speaker, that in the eyes of maritimers protection is nothing more or less than a subsidy. You are subsidizing an industry and there is no other description for that type of thing. So if we are going to be free enterprisers, let us be free enterprisers.

In closing I wish to say that there are just three sources of all wealth, the same old three sources, namely the land, the sea and the forest. One is of as great importance as another. All those who produce this wealth, from whatever source it may come, expect and should have the same consideration and the same protection. The program as outlined by this government completely ignores all those thousands engaged in the fishing industry, the pulp industry, the lumber industry and the base metals industry; and I can assure you, Mr. Speaker, that all those industries are passing through a period of depression at the present time. Unemployment is rapidly rising in all parts of Canada, more particularly perhaps in the Atlantic provinces. In the

meantime this government has increased the floor price on butter. It increased the duty on several products of the farm. It has promised to bring about parity prices.

Mr. Harkness: You are quite wrong. We did not increase the support price on butter.

Mr. Stuart (Charlotte): I can disagree.

An hon. Member: The selling price.

Mr. Stuart (Charlotte): I believe it was the selling price. I will put it this way and it may sound better. The working man with a family is now obliged to pay more for butter than when a Liberal government was in office. That may sound better.

Mr. Harkness: A cent a pound.

Mr. Sinclair: The farmer does not get any more but Canada Packers get more.

Mr. Stuart (Charlotte): That is right.

Mr. Knowles (Winnipeg North Centre): Free enterprise.

Mr. Harkness: You do not know any more about it than the man who is speaking.

Mr. Stuart (Charlotte): What is that?

Mr. Harkness: I say that the hon. member for Coast-Capilano (Mr. Sinclair) does not know any more about butter than you do.

Mr. Stuart (Charlotte): Let me tell the hon. member this. There are a great many working people in this country with large families who know more about paying for butter than does my hon. friend who interrupted me.

The government have also promised to make cash advances on farm-stored grain and to bring in other improvements for agriculture, including the building of the South Saskatchewan dam. At this point let me say this briefly. All these services have been provided for agriculture. The fisherman is producing a perishable article. You cannot store it in a fresh state. It cannot be done. Live lobsters can be held for only a very short time. Grain can be held not indefinitely but for a reasonable period. Why are all these services provided for agriculture while every other primary producer in this country is completely ignored? This gross discrimination by the government is, I believe, a complete betrayal of every other primary producer in Canada and a repudiation of all the promises they made prior to June 10.

In my province unemployment is rapidly rising.

Mr. Fraser: Thanks to the former Liberal policy.

Mr. Stuart (Charlotte): We heard that in 1930 in the depression period.

Mr. Fraser: That was thanks to the Liberals also. They left us holding the bag.

Mr. Stuart (Charlotte): I can tell my hon. friend that in my experience there never has been a Tory government elected when exactly the same conditions did not appear. Then the bottom falls out of everything. The hon. member asked for that remark.

Mr. Fraser: We had to clean up the mess the Liberals made.

Mr. Stuart (Charlotte): Let me tell you that the mess the Liberals made was in leaving a surplus of $350 million which the Conservatives have to play with, and they do not even know how to play with it. The other day I asked a question of the Minister of Labour about unemployment in New Brunswick. He very kindly gave me the figures, which I appreciate. Unemployment in that province is three times greater than it was this time last year.

Mr. Brooks: Greater in June than now.

Mr. Stuart (Charlotte): Let me tell you that before the winter is over there is going to be a great deal more. I know it is coming. The figures indicate that the hon. member for Restigouche-Madawaska (Mr. Van Horne) will need more stenographic help this session than he needed last year. Last year he was receiving hundreds of letters from the unemployed. With an increase of 300 per cent in unemployment next year I would imagine that two or three more girls will be necessary to take care of his dictation.

Mr. Sinclair: But he has not said a word yet about unemployment in Canada.

Mr. Stuart (Charlotte): Last year the hon. member carried a weekly advertisement in his local paper urging those who were unfortunately unemployed to write to him outlining their problems. I have looked for that advertisement this session, but so far he has never had it in any paper.

Mr. Van Horne: Mr. Speaker, I rise on a point of order or a question of privilege. That is not what I said at all. I can give the hon. member a copy of that advertisement.

Mr. Stuart (Charlotte): Mr. Speaker, I think I have the floor. The hon. gentleman will have an opportunity to speak. I saw the advertisement he had inserted last session and I can quote from *Hansard*, if he wants me to do so, the portion where he said he was receiving hundreds of letters. At that time he had one girl. I would imagine that now he would have to have three or four.

I now want to speak just briefly on unemployment insurance for fishermen, which could have been of great benefit to the fishing

industry. A grat deal of thought and effort was put into it by the hon. member from Coast-Capilano (Mr. Sinclair) and the former minister of labour and officers of his department. But in the election campaign every Tory candidate in New Brunswick condemned if from every standpoint when he spoke in a fishing community. They said this was election bait and that it could not work.

Now, if the Minister of Labour were given a little encouragement, it could work, but he has not yet been given that encouragement. Why? Because it would be of benefit to a primary producer who was not a farmer. I said at the outset that I have always supported every bit of legislation that has come forward in this house for the benefit of the farmer. I will say this, and resume my seat. This government should decide that there is more than one primary producer in Canada, and find some way to get away from this discrimination and assist those in the fishing industry, who are in a much more serious position than agriculture is at this time.

Mr. M. W. Martin (Timmins): Mr. Speaker, I would like to pay my respects first of all to the former member for my constituency, Mr. Karl Eyre. Many hon. members who know him will recall that he suffered a very grievous loss just over a year ago in the death of his wife, a loss from which he did not completely recover and which, I feel sure, was in no small way responsible for the breakdown in his health which made it impossible for him to contest this last election on June 10.

Next I wish to pay tribute to the C.B.C. for their fine coverage of the opening of parliament this year. I had the opportunity to make a brief visit to my constituency this week end, and I can assure all hon. members that the impression left on people throughout Canada through viewing not only the visit of the Queen but also the opening of this house was such that they will remember it for a long time. I think it is a good thing for the future of this country that older people and children should have an opportunity to view the opening of parliament, for I feel they will take a much greater interest in the parliament of this country in the future as a result of that experience.

Now, Mr. Speaker, I have watched with great interest, as I am sure most new members have done since the opening of this twenty-third parliament, particularly in view of the slogan "It is time for a change", to see in operation that change which the people of Canada voted for and which they have a right to expect. But I am afraid, from what I have seen so far, that about the only change we can see is that certain hon. members have moved from one side of the house to the other. As the former prime minister pointed out in his remarks last Wednesday—and he made his point very well—there is a similarity between the current government and the former one, and he was fully justified in pledging the support of the Liberals to the policy of the new government, because from all indications it will be no more and no less than we have had from the Liberal administration for the past 22 years.

This cozy atmosphere of mutual trust and co-operation is nothing new to the people of northern Ontario, and particularly to the two ridings of Timmins and Timiskaming. Just two short years ago we witnessed the experience of Liberal candidates being kept out of the race and prominent local Liberals supporting Conservative candidates. Since June 10 the grapevine has it that already the plotters are at work again, and are going to try to give me the same treatment they gave to Mr. Bill Grummett, who represented the riding of Cochrane South in the provincial house for so many years with such dignity, diligence and respect. But I would like to say this. The loss of the two ridings of Timmins and Timiskaming by the Liberals, who have held these ridings ever since they were formed, was a direct result of the shenanigans that went on two years ago, and any further demonstrations of this kind, even the ones we have witnessed in this house, are going to hasten the journey of one or other of the old parties down the road to oblivion.

As many hon. members know, my riding takes in the fabulous Porcupine gold mining camp, and is dependent almost entirely on the gold mining industry. Mr. Speaker, the problems of the gold mining industry have been well outlined in this house on earlier occasions. The gold mining industry has never lacked speakers willing to bring its difficulties to the fore in this House of Commons. My plea today, however, will be for the gold miners and the communities in which they live. In other words, I believe it is time we heard a little less about the poor gold mines and a little more about the poor gold miners and the towns and communities from which they come.

The people of Canada have subsidized gold mining to the extent of many millions of dollars since the enactment of the Emergency Gold Mining Assistance Act, but the gold miners are in the untenable position of subsidizing the industry twice. They subsidize it first of all in the same way as all other Canadians through their share of the taxes that go to make up the subsidy, and they subsidize it in the second place in the receipt of substandard wages, wages paid in the

gold mines being approximately one-half the wages paid in comparable industry. That is why we in the C.C.F. party say that the Emergency Gold Mining Assistance Act must make provision for an equitable portion of that subsidy to go to the miners. If the industry must be subsidized by Canadians, let all Canadians subsidize it equally.

(*Translation*):

Mr. Speaker, may I now say how I admire the magnificent battle fought by the workers of Murdochville (Quebec) during the last spring and summer.

By their courage under such unusual circumstances, and by the restraint they showed in fighting for their rights, they deserve to be commended by all workers' unions and all the people of Canada.

Never in the history of labour's struggle in Canada was there such attempt at intimidation. Every legal manoeuver was attempted. Countless numbers of rascals, several of whom had arrived here as poor immigrants, were hired by company agents as soon as they landed in this country.

And to top it all, in order to cow the strikers, a supposedly neutral police force was called in which later on let a group of well-organized and equipped bullies ransack the union's offices, upset cars and threaten the property and even the life of the union leaders.

And yet this was no ordinary strike for higher wages or better working conditions, not even one requiring the use of union members or non-members. Rev. Father Cousineau, a Jesuit, writing in *Relations*, explained very simply that the strike was one "for basic human freedoms: the right to a professional association".

The existence of such conditions in Canada is a disgrace, and, until all trace of them have disappeared, all hon. members of this parliament must assume their share of responsibility.

Two men died directly as a result of the strike, and their names will go down in labour history, with those of all heroes who devoted their time and their lives to the labour movement, so that we might live in a better world.

That is why, in Shawinigan Falls, Que., last week, after reading these exploits on posters, the Quebec workers changed the name of Murdochville to that of "Murderville", the city of murder.

(*Text*):

The people of Timmins, Mr. Speaker, have watched very closely the battle which occurred in Murdochville this year, and the reason is this. Noranda Mines Limited, which own Murdochville, also own three of the local mines in the Timmins area, the Pamour, the Hallnor and the Aunor. In addition, five of the nine directors of Murdochville who are responsible for this black page in the history of the Canadian labour movement are also directors of Hollinger Consolidated Gold Mines Limited, the largest mine in the Porcupine camp. The miners in Timmins owe a debt of gratitude to the gallant fighters in Murdochville who have stopped, at least temporarily, this attempt at dictatorship by the mining magnates.

I was pleased to see in the speech from the throne that the government has arranged a meeting with the provincial governments for the near future, and I hope top priority at this meeting will be given to the problem of education which has reached such terrifying proportions in Canada today. I am fully aware that in the past government policy was to shrug its shoulders at the very mention of the word education and say, "That is exclusively a matter of provincial jurisdiction". However, if we are going to face up to reality, if we are not going to bury our heads in the sand as the ostrich does, we will either take action in this field or wake up to find we have made our greatest and possibly our final blunder.

If the information I have received is true, and I have no reason to doubt it, at the present time in Canada we are graduating from university seven students per 1,000 pupils enrolled in our schools. The United States is graduating 22 per 1,000 and in Russia today they are graduating 70 per 1,000. This situation is monstrous. If we value our liberty and have any regard for democracy we dare not allow this situation to continue.

The argument has been used that possibly the standards of education behind the iron curtain are not on a par with ours, but in view of Russian developments in terms of atomic and hydrogen bombs, intercontinental ballistic missiles and the launching of a satellite into outer space, I am afraid that argument no longer stands. We in this country must change our whole basic concept of and attitude toward education. In the past education has been something an individual was encouraged to acquire in order to ensure and enhance his own economic future. Education has had a price tag attached to it that placed it beyond the reach of far too many of our young people. The waste in

Canada over the past 100 years in terms of our natural resources makes a sickening story, but the waste of our human resources in this country has been far greater.

The price tag we have placed on higher education in the past has established in Canada a stupid form of segregation. Deserving pupils with brains but no money were excluded from universities, and at the same time in far too many cases our institutions of higher learning were cluttered with people with money and no brains. We can use no better example of this waste than that of the exceptionally gifted child. Surveys have shown that 2 per cent of our children fall into this category, those with IQ's of 135 or over. From this 2 per cent should come our future leaders, scientists, engineers, teachers and professors; but what is the picture? Surveys have also shown that less than 50 per cent of our gifted children are even able to complete high school. Our exceptionally intelligent children are a gift given to us by our Maker and cannot be bought or substituted in any way.

Frequently these young people leave school for economic reasons. As soon as they are old enough to be physically capable of accepting employment they are compelled to leave school to help support themselves and their families. The second major reason is much more complex, and is the fact that our present educational system is not geared to handle these exceptional children. We find they go through school with a group of other children not as talented as themselves. The gifted ones have no difficulty in learning and do not have to study, with the result that they have plenty of time on their hands which they frequently use to get into mischief and in far too many cases finally wind up as delinquents. This happens because of the inability of their teachers under the present educational system to maintain their interest, and they turn to the challenge of mischief through boredom. In other cases these bright children go through the lower grades never bothering to study. When they reach high school and are required to study they discover they have never learned how and so they become frustrated and discouraged and leave school to accept employment.

Some attempts have been made in the past to deal with this problem. One such method was advancing the pupil by having him skip grades. Contrary to the cartoonists' conception of the gifted child, usually depicted as a slight, undersized, myopic bookworm wearing heavy hornrimmed glasses, it has been revealed that the exceptional children are generally as advanced physically as they are mentally, with the result that they can skip two or three grades in the first six or seven years without encountering any serious difficulty. However, if this practice is carried too far the situation develops where you have 10-year old children attending school with 15 and 16-year olds. This immediately creates a social problem, because the younger children are too small to compete in the games and other activities engaged in by their fellow students and thus are left by themselves. They come to think of themselves as different and set apart, and begin to develop all kinds of quirks and phobias.

Segregation, the grouping together of all gifted students in one class, again carries a social stigma. They become a group apart from the rest. Immediately they find all the other classes allied in a common front against them. The best solution offered by the experts so far is a combination of advancement and enrichment. Enrichment is a matter of broadening out the education, giving those clever students two, three or four extra subjects in order to keep them fully occupied and give them a challenge at all times. But this immediately raises another problem. In order to handle classes of this nature we must have teachers with special training. We are not beginning to meet our need for teachers now, ordinary teachers. How much less are we going to meet the need of teachers with initial special training?

In view of the problems I have mentioned today, Mr. Speaker, and in view of many more that I have not time to deal with, I feel it is the duty of this government, in conjunction with the provincial governments, to face up to this situation and do something without delay. If we are to survive, if we are to maintain what is so commonly referred to as our way of life, we cannot let the totalitarian powers outstrip us in the order of 10 to one. Every child in this great country of ours who has the ability and the initiative must be given the opportunity to further his education for the benefit of himself and of his country.

In the face of the scientific advancement that we see around us today; in fact, in the face of the spare moon that we have in the sky at the present time, I am reminded of the words of the song, "It's Later Than We Think". I pray, Mr. Speaker, that it is not already too late.

Mr. Hayden Stanton (Leeds): Mr. Speaker, first may I congratulate you on having been nominated and elected as Speaker of this house. I know you will uphold the dignity and decorum of the house, and at the same time you will be sympathetic to members of

all the political groups within this house, especially the new members who were elected on June 10, 1957.

I also wish to congratulate the mover (Mr. Smith) and the seconder (Mr. Arsenault) of the address in reply to the speech from the throne. They did a magnificent job, and their task was made all the easier by the abundance of magnificent legislation which is forecast in the speech from the throne.

I am sure the official opening of the 23rd parliament is an event that will long be remembered, not only by the older members of parliament but also by those who are newly elected and are sitting in the House of Commons for the first time. Her Gracious Majesty's presence and participation in the official opening of this parliament, coupled with her four-day visit and many public appearances in our national capital, which was so well televised to the citizens of Canada, will I am sure interlace our loyalty and solidarity even more firmly with the motherland.

I intend to give rather an abbreviated address now and go more fully into the business of the session when the bills are presented. I must congratulate the Prime Minister and his cabinet on the legislation which they propose to bring to this parliament at this session. It is truly evident that they are doing their utmost to implement the promises they made to the people of Canada prior to June 10, and to do so immediately.

After listening to the Leader of the Opposition and his criticism of the legislation as proposed, and his query as to why the government have not implemented their promises to the people sooner, I am really amazed when we consider the immense amount of legislation that is coming before parliament this session, such as greater assistance to our older citizens who are in the sunset of life and in many cases find it very hard to exist, and assistance offered to provincial governments in relation to increased aid to the recipients of old age assistance, disabled and blind persons. No person in this wide, wide world is more entitled to adequate pensions than those afflicted with blindness. There is also an increased scale of war veterans allowances and the allowances to go to larger groups. This parliament will also be asked to enact measures to provide greater stability in the prices of farm products and advance payments for farm-stored grain, which will aid the hard-pressed western farmer.

The representatives of the various provinces are to be called together for a dominion-provincial conference, and there is to be a discussion with the province of Saskatchewan looking toward an early start on the South Saskatchewan dam. This is only a small part of the vast amount of legislation that this government proposes to enact this session. In fact, it is more useful legislation —legislation that will really help the common people—than the former government placed before parliament in the four years I have been a member of this house. And still the official opposition claim that this government is not carrying out its promises. I can tell them that with all the legislation that has been mentioned in the speech from the throne, along with much more that the Prime Minister has suggested, there will be a larger and much better bill of fare for the common citizen, more help to those engaged in agriculture, more help to the average person, than the previous government has given them in the past 22 years.

This government, Mr. Speaker, is a government of action, not a government of promises before an election. When we think of the health insurance plan, which was first suggested to the people by the Liberals in 1919 and before every election since that year as a political carrot, as bait, it makes us laugh. The people of Canada are apparently not taking their promises any more. As I look across the house—I am sorry the hon. gentleman is not in his seat—I wonder whether the hon. member for Fort William (Mr. McIvor) will say when he views the good work of this government, "Mr. Speaker, I congratulate the minister".

I would suggest to the government that I believe it would be a good idea, with the consent of the provinces, not only to have a conference of the dominion and the provinces but also of the municipalities. I realize that to have all the mayors and reeves would be too cumbersome, but surely representatives of the mayors and reeves associations of each province could sit in and present their problems, because they have problems in trying to finance the services they have to provide for their people by direct taxation. I believe that every member of this house agrees that municipal taxation has reached the saturation point.

I see it is one o'clock, Mr. Speaker.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Stanton: Mr. Speaker, as my constituency is approximately 50 per cent rural I wish to take a few minutes to discuss the problems affecting our farmers at the present

time. I am particularly gratified, I may say, and I know that farmers in every part of Canada are most gratified, to know that the government intends to give them immediate relief by bringing in legislation that will help to stabilize farm prices so they will have a more just share of the national income. I am sure that not only farmers but also consumers will welcome the announcement by the Prime Minister that a parliamentary committee and, if necessary, a royal commission will be set up to make a study of the particular problems of the farmers.

The farming industry is and has been in an untenable position as the price squeeze is ever tightening. Some people look with dismay on floor prices, but we must realize that nearly every country in the western civilized world contributes more to stabilize agriculture and to bring farm income closer in harmony with that of other vocations than Canada has done. In the year 1956, I believe, Great Britain subsidized agriculture to the extent of £3 million.

Give the farmer his just share of the national income. He is a good spender, and every segment of our economy will benefit. Those who are engaged in agriculture are the largest buyers of commodity goods of any group in Canada. I also intend to deal more fully with agricultural problems at a more opportune time later in the session.

I am sorry the Minister of Transport (Mr. Hees) is not in his seat, but I should like now to make a few remarks with respect to a particular situation. I have brought the matter I am about to describe before the house on many occasions, and I shall not hesitate to bring it again to the attention of the government because I know the minister is always sympathetic to the difficulties in which the citizens of the various constituencies find themselves.

My beef again is about the railway facilities at Brockville. If the present conditions exist much longer those who are waiting for and departing from trains will find themselves under nothing better than an umbrella. Not only that, but the hazards of the railway crossing are by no means diminishing. They are growing and will continue to grow. When the by-pass for highway 401 is completed all traffic from the west, the north and the east will be coming into Brockville over these dangerous tracks and will be halted constantly by waiting trains.

I was never more humiliated, Mr. Speaker, than on the occasion of the visit of the Prime Minister to Brockville when he spoke on my behalf on May 8 last, and most effectively as the results have shown. After stepping off the train he and Mrs. Diefenbaker were compelled to walk nearly two blocks over the rough, corduroy railway road bed to the dilapidated station where a taxi awaited them. Nor was that the worst. When the taxi in which they were riding swung, along with other cars, up Perth street toward his hotel the gates were down and no passage was allowed. The taxi driver then turned and retraced his route for two blocks, but lo and behold, the gates on William street were also down. So the Prime Minister was detained there until the train passed on.

This same thing happens day after day and week after week. Many industrial workers are detained at these crossings time and time again. The delays are getting so pronounced that the city council has threatened legal action if they are not shortened. This is an inconvenience to those travelling by train and a hazard to automobile traffic. It is especially dangerous to pedestrians. There are now two large schools located north of the tracks, and it is necessary for many of the children to cross the tracks in order to go to and from school.

I was amazed, Mr. Speaker, to hear the remarks of the hon. member for Laurier (Mr. Chevrier) on Friday last, so critical they were of the present government supporters and creating disunity between the people of the different provinces. Disunity was never mentioned during the election campaign in the constituency which I have the privilege to represent, and I am sure the same holds equally true for my colleagues. If the right hon. gentleman after whom the constituency of the hon. member is named could have heard the remarks of the hon. member for Laurier he would have shuddered with humiliation. On Friday the hon. member for Laurier sowed more seeds of disunity than any person inside or outside the house has ever done. But I am sure the people will take his remarks lightly, for after all none of my colleagues on this side of the house has found it necessary to go outside his or her province to find a constituency in which to be elected.

In my opinion the criticism of the C.C.F. party was most unfounded. Surely opposition members can wait and give the government time to implement the promises of which they have spoken. When the bills are brought forward I am sure that not one opposition member will dare oppose them. I am sure, as are all of us, that it is not the government's intention to bring about the passage of legislation by order in council. I am certain it is the government's intention to bring all legislation before parliament so it may be fully discussed. How could that

have been done in only a very few days? Is there any person in the house or throughout the dominion who will say that parliament should have opened earlier? The hon. member for Winnipeg North Centre (Mr. Knowles) made the suggestion that the house should have opened in September, I believe. Is there any person in the dominion who would have wanted the house to open in September when our Queen was coming later to open parliament officially? I think not.

I remember a prediction made in the house last January by my good friend the hon. member for Macleod (Mr. Hansell). I should like to refer to page 146 of *Hansard* of January 11, 1957, where I find that the hon. member had this to say:

> I have sometimes said that one of the easiest ways to destroy a political leader is to make him leader of the official opposition.

I wonder what he thinks now. He went on to say, as found at page 147:

> I am going to make a prediction, Mr. Speaker, and perhaps someone will read back to me what I have said after the next election. . . . I predict that the result of the next election will not see the Conservative party sitting on the government side of the house. I go further than that. I will particularize my prediction. I predict that the Conservative party will come back here with fewer members west of the great lakes.

Later, as found on the same page, he said:

> I should like to see—and perhaps I shall—a little game of leapfrog that we sometimes play, whereby we leap over all the rest of the parties and leap from a third party to the government.

Mr. Byrne: A short hope.

Mr. Argue: He almost made it, too.

Mr. Stanton: I spoke in the same debate a few days later, and on page 282 of *Hansard* of January 15, 1957, it will be found that I said:

> With your indulgence, Mr. Speaker, I should like to make a few prophecies, and I do not believe that I will have to go too far out on the limb in doing so. I prophesy that the Social Credit party will not elect a member east of the Manitoba border, and that nearly all their candidates will lose their deposits. I will also make a prophecy that they will not elect a member east of the Alberta border. . . . I will make one more prediction and it is this. The good people of the constituency of Prince Albert will have a third prime minister of Canada as their representative after the next election.

Mr. Hansell: You are a good prophet; much better than I am.

Mr. Stanton: May I say, Mr. Speaker, that before the hon. member for Macleod makes any more predictions perhaps he should change the lenses in his glasses so he will be able to look into the crystal ball a little more accurately, because his predictions were just as accurate as the Gallup poll or those found in the editorial in *Maclean's* magazine published the day after the election.

I would also suggest to my hon. friends to my right that while they are all good fellows and we enjoy seeing them there, perhaps they had better change their political thinking. If they do not do so, then after the next election they will probably be moved across the way because there will be no desks left for them on this side of the house. They will all be occupied by Conservative members.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I have not my notes before me, but no man should stand in this house unless he has sufficient to say that he can speak without notes. I congratulate you, Sir, because I am sure you will do your duty as Deputy Speaker. I shall defend both the Speaker and Deputy Speaker, just as I was willing to defend the former Speaker from any incursions from any source. I congratulate the new members. They have a splendid opportunity to do something for Canada. I hope their eyes will not be blinded by narrow politics or selfishness.

I should like also to welcome the page boys, because they are very important to this house. I hope that this year, as in a former year under a Liberal administration, the page boys will get a trip to some place that is worthy of their responsibilities. I should like to congratulate the government whip. He was very kind to me. Generally when a man is told to go up higher it means a promotion. However, when he said to me, through our whip, "Stay where you are", that meant a promotion for old Dan. I appreciate it very much. I think the real reason I was left in that office was that the whip wanted a youth with red blood in his veins to pep up the old P.C.'s on that floor.

I congratulate the government upon two things that are contained in the speech from the throne. I feel the proposal to increase war veterans pensions is good. I feel this move is to be commended, and we should give honour to whom honour is due. However, there is something that has been omitted from the speech from the throne insofar as the veteran is concerned, namely old age pensions commencing at 60 years of age for those who served in an active theatre, without a means test. I spoke of this during the last four years. Last year I mentioned that one man had had four Christmas dinners in the trenches. Another man was assigned to the trenches where there was not a dry spot on the ground, and he was kept there for 31 days without a dry sock on his foot.

No one can tell me that this is not injurious to a man's health and to his chances of longevity. I am sure the Minister of Veterans Affairs will take this into consideration, because he has spoken of it before.

Another thing that is contained in the speech from the throne, and for which I commend the government, is the proposal to increase old age pensions. I spoke on this subject last year.

There are two good things that are not mentioned in the speech from the throne, and one is health insurance. In 1937 I introduced a resolution on this subject which received the support of the former member for St. Boniface, now Senator Howden. We had a full dress debate on health insurance then, and last year the former minister of national health and welfare got a bill through the house. I am sorry to find that the Conservative government apparently does not intend to implement this measure.

Another omission from the speech from the throne, and something which received the support of the present Minister of Veterans Affairs last year, is adequate pensions for retired civil servants. I said during the debate on my resolution that a man who has worked ten hours a day six days a week has the right to a pension as good as that of the man who works eight hours a day five days a week. This is one of the outstanding things, an increased pension for retired civil servants.

There is another matter about which I want to speak, but before I do so I want to say that the people at the head of the lakes felt that one of the reasons for the change on June 10 was the need for a stronger opposition. Well, if you have not got it now, you will never get it. We have a strong opposition on this side, and the Prime Minister knows it very well. The question that is in my mind is, how can a weak opposition make a strong government? That is a question hon. members opposite will have to consider. I wish them success in the way they deserve.

At the lakehead we have a large harbour in Thunder bay, perhaps the largest in Canada. Delegations have been coming from Manitoba and other areas outside of the lakehead to tell us that we should get the lakehead harbour ready to receive the big ships that will come from the ocean. I should like to tell you, Mr. Speaker, that the man who looked after the lakehead harbour knew what he was doing. He was one of the greatest men Canada produced, Right Hon. C. D. Howe. For 22 years he looked after that harbour and there was never any complaint. There are long docks for both railways, and the area in front of them is now dredged to a depth of 27 feet. There are long docks in front of the elevators, and the area in front of these docks is dredged deeply enough to receive the big boats from the ocean. We have four paper mills, and the water in front of them is deep enough to receive ocean-going vessels. For 22 years boats have been coming in and going out from these dock facilities without objection from the railways, industries or even the labour unions.

I should like to add, Mr. Speaker, that any request that came through me from the city council of Fort William for more harbour facilities was considered favourably. We got a new harbour for the fishermen at Squaw bay, and that was greatly appreciated because it helped the fishermen in handling their fish. We have a new breakwater at Chippewa in order to protect an area for the children, tourists and others who come there. The last request sent to the former minister of trade and commerce and finally to the Minister of Public Works was for a large dock in the centre of the city, marine harbour. It was a 280-foot dock. I would say to those who are anxious about dock facilities at the lakehead that they were well looked after during the last 22 years.

When the present Minister of Transport called on us a little while ago, I toured the harbour with him. He did a god job. He told us he was not stating now what was going to be done, that he was merely on a fact-finding tour. I must say it gave me great pleasure to introduce my former baseball catcher to the lakehead aristocracy. I believe he appreciated it. Fort William harbour is well looked after.

Somebody from Winnipeg said that Duluth was spending $40 million. The chairman of our harbour board, who knows very well what our harbour contains, says that if you had to put in the present equipment it would cost you $300 million or more. I would therefore say that our harbour is in good shape. However, our city council has wisely advised that before any money is spent on our harbour a full investigation should be made. I am looking to the Minister of Transport to see that that investigation is carried out. The hon. member for Port Arthur (Mr. Fisher) has asked for such an investigation. We are asking for it so we shall be fit to receive the big boats that come from overseas.

Mr. Speaker, I should like to say a word about the hub of Canada. It is agreed at the lakehead that Fort William is the hub of Canada. The Prime Minister, when he sees more of it, will agree with me. Fort William is growing rapidly. Just imagine what has taken place. The Great Lakes Pulp and

Paper Company, with its two large mills, has now doubled its capacity. Two new paper mills have been built at an expenditure of more than $40 million. It is the greatest paper manufacturing company in Canada today.

We therefore lift our heads high. We are proud of the new man who came from Quebec to take over the Great Lakes Pulp and Paper Company mill as superintendent. I refer to Mr. Fox. I pay my tribute to him as an outstanding businessman, well able to take care of the workers in a harmonious way. The Abitibi Power and Paper Company has also spent a large sum of money. But one of the things that pleases me best at the lakehead is the situation at the Canadian Car and Foundry Company. Last year we announced to the then minister of labour that they had had two million hours without an accident. They are now fairly well into the third million hours without an accident. I am extremely happy to represent the hub of Canada in this respect.

I think that is all I have to say. I should just like to conclude by saying that I am not looking forward to an election this year. I am going to support the speech from the throne because I do not think the government yet has done enough for us to pass a vote of non-confidence. It is true that they promised to have a session of parliament in September, but any man who has a garden, as I have, would not like to have a session in September, so he changed the date. However, I was not so glad when I was criticized for saying so at the lakehead by the old age pensioners.

The hon. member for Winnipeg North Centre (Mr. Knowles) did not agree with the reasons given by the Prime Minister for extending the date. I was glad that we were not called before October 14 for that selfish reason I have mentioned. I think the government should be given the opportunity to make good on its promises of cutting taxes and raising pensions all round. Let us give them a chance to make good. That is what I want. When I was engaged in the manly art, I remember that I liked to have a chance to show whether or not I could handle myself. I should like the government to have a chance to show whether or not they are able to handle themselves and to measure up to the task confronting them.

Mr. F. C. Christian (Okanagan Boundary): Mr. Speaker, as the hon. member for Okanagan Boundary I should like to congratulate you, as Deputy Speaker, and Mr. Speaker on being elevated to the positions which you now occupy. I am sure you will carry out the duties of your offices with every efficiency and dispatch. Coming into this house as, if I may say so, the tallest rookie, I am happy to see the Minister of Public Works (Mr. Green) sitting in the seat he occupies and holding the position he now holds, as he hails from Vancouver-Quadra. In that particular area he is held in high esteem, as he is throughout the Dominion of Canada. I think it is only proper for a new member of the house to recognize the merit of other hon. members, no matter to what party they belong. I appreciate the fact that in this House of Commons today on both sides of the house are men of great ability. I think it is the duty of these men, as well as of all members of this house, to try to carry on the government of this country as efficiently and as ably as they possibly can.

The hon. member who preceded me mentioned Fort William and described it as the hub of Canada. I would say there is another hub of Canada known as the Okanagan Boundary area. It is sometimes called the California of Canada by many people. Nevertheless, like the rest of the people of this great Canada of ours, we have our problems there also. Basically our industries consist of farming, ranching, mining and logging. In addition there is also the tourist industry. The farmer complains because he is not getting a sufficiently high price for his products. Similarly the rancher complains because the price of beef has come down substantially. In our particular area a number of mines actually have been closed down. The small logger also is bitterly complaining because he cannot get a proper price for his logs. That is the situation which exists.

May I say this respectfully. Having been in this house for the short time I have been here, I feel that there should be less and less of politics in this House of Commons and that we should come as Canadians, trying to assist our government. I feel that we should try to rise above personalities and obstructionist methods. Let us try to get things done for the Canadian people.

I commend the government of this country for having the foresight and zeal to try to stabilize the prices of agricultural products. As to the matter of cash advances against the farm-stored grain, I think the principle is good and I personally am going to support it. However, I would say this. While cash advances to prairie farmers will be in the nature of an emergency measure, after all it is a temporary expedient. I think there is one danger, namely that sometimes these temporary expedients can develop into matters of a permanent nature. It may very well

be that when some of the hon. members of this House of Commons later on go back to their respective constituencies the people there—as, for example, in my own constituency of Okanagan Boundary—will say, "When are we going to get cash advances on our apples?" or "When are we going to get cash advances on our various fruits?" However, in this particular case, so far as the prairie farmers are concerned, I think a definite case is made out and that we are dealing here with an emergency. But I certainly hope that this matter is and will be treated as being in the nature of a temporary expedient.

As to a national development policy, I again commend the government. It is about time, and I think the government saw this, that the Dominion of Canada and the provincial governments throughout this great Canada worked together to develop this nation. There is only one suggestion that I should like to make. As I came from the Okanagan valley down here to Ottawa I could not help being impressed for the first time by all the land that is idle and not being used in this great dominion.

I think it would be a good thing if we, the government and everyone concerned, tried to bring about decentralization of industry throughout this Canada of ours. Why, after all, should the industries of this country be concentrated in the large cities? Some day there may be an emergency, and we might be very sorry that industry is concentrated in this manner. Would it not be much wiser if industry were distributed more evenly over this land? If this were done the results would also be helpful to smaller communities such as the Okanagan valley, for example, where we can and do welcome new industries into our midst. Basically we are a fruit growing centre, but if we had industry established there the economy of the whole area would be improved.

Having mentioned the subject of farming I would like to say, Mr. Speaker, that the farmers in the Okanagan valley are not happy, and I would like in particular to bring one matter of importance to the attention of this house. The fruit growers in the valley are keenly disappointed over the federal government's failure to establish a minimum fair market value for prunes to protect against distress quotations and imports. The tariff committee of the British Columbia fruit growers' association supplied to the Minister of Finance data published by the United States department of agriculture on the price of prunes in the three northwest prune-producing states, Idaho, Washington and Oregon, over an eight-year period from 1949 to 1956, all years inclusive. This data indicated that the average f.o.b. price for the standard lug of prunes for the eight years under observation would have been about $1.19 per lug in Canadian funds.

American prunes were quoted and sold to Canadian importers at about 90 cents in Canadian funds, or approximately 30 cents below the level which the British Columbia fruit growers' association felt should be regarded as an emergency minimum. Our fruit growers found it difficult to comprehend how the government could suggest that British Columbia producers have not suffered because of United States prices or exports. Neither could they understand why it should be considered a violation of GATT when it was not considered so in the case of the minimum fair market values set for cut flowers, for textiles and for strawberries. By the time the government made its decision on August 30 the damage had been done to the point that little if any increase in prices would have been possible.

I know that a good many of our prune growers in the valley did not even bother to pick the prunes off their trees because they were not getting the price that they should receive, and consequently it did not pay to pick them. That is one of the problems, to obtain a fair price for our various farm products throughout this country; and we as members of parliament, irrespective of party, should seek to ensure that farmers do receive fair prices for their products.

Mr. Speaker, I should like to deal now with the Income Tax Act. Hon. members may know that at the present time a person having a married status may deduct from his or her income the sum of $2,000 a year; a single person is entitled to deduct $1,000 a year, and if a person has a child who is eligible for family allowance, the amount of the permitted deduction is $150. In the case of a child who is not qualified for family allowance the amount is $400 a year. A deduction of $500 a year is permitted to a taxpayer who has reached the age of 65 before the end of the year.

These amounts have been in effect ever since the bill received royal assent, namely December 10, 1949. I have interviewed and consulted many accountants, and they all feel that these particular exemptions or deductions are not sufficient at the present time; that they should be scaled upward so that to some extent the taxpayer will benefit. I know the government is in favour of giving some tax reductions or concessions to those people in particular who find they are having a hard time getting by, and I mention this section of the Income Tax Act because I feel that this is one field in which

help could be given to the men and women in this country who have families to bring up and who are having a very difficult time under present conditions. I respectfuly suggest, therefore, that the government should give consideration to amending the relevant sections of the Income Tax Act.

Another matter about which I am concerned is the question of Senate reform. I notice that in the speech from the throne nothing was mentioned with regard to this subject. It seems to me that basically the Senate of this country should be truly representative of the Canadian people. I would point out, however, that at the present time British Columbia has the same representation in the Senate as Newfoundland, although British Columbia has four times the population of Newfoundland. Then again, British Columbia has twice the population of Nova Scotia and New Brunswick taken separately, yet British Columbia has only three-fifths of the representation in the Senate that these provinces have.

It seems to me that a better way of dealing with representation in the Senate would be on the basis of representation according to population. That seems to me an equitable way of arranging things, and it may be that the government in the course of time can progressively bring about changes in the representation on this basis. After all, we have had great men in the Senate, and I respectfully suggest again that when further appointments are made the government should choose men according to their ability; young men, like the young men who are holding office in the Conservative government today. Let the authorities pick men of that type and calibre, people who have strength, and who can work for the brighter future of this country.

Mr. Speaker, I was very happy to note, further, that this government have undertaken to increase the amount of the old age pension to senior citizens, and I hope they may see their way clear to grant the sum of $60, affording a more generous increase than has been made in the past.

I was glad to note, also, that there will be increases in the payments under the Old Age Assistance Act, the Blind Persons Act, the Disabled Persons Act and the War Veterans Allowance Act. I was particularly glad to note that veterans allowances will be increased. A large number of these men went to European wars, and to South Africa also, then found themselves in the unfortunate position of being told that the time they had spent out of this country could not be taken into account when the matter of residential qualifications was being considered. I am certainly glad to see that it is the intention of the government to reduce the residential qualification now demanded.

With regard to the national hospital plan. I noted a number of questions asked by the hon. member for Winnipeg North Centre. I feel as he does, that those questions should have been answered. I sit here as a new member of the house and, respectfully, I wanted to know the attitude of the provinces regarding this hospital plan, what has been the attitude of the municipalities, what the hospitals of this country think about it, what the medical practitioners think about it, and whether this plan, if it is brought into existence, will cause the cost of hospital care for the average citizen to rise.

These are vital questions, and questions which I suggest the government should answer. This matter of a national hospitalization plan has been under consideration for a considerable number of years. I would like this government to display the same courage it did in the speech from the throne and as time goes on come up with answers to the questions on a national hospitalization plan. I think it will be a wonderful thing for the people of Canada if it is properly worked out with the provinces and municipalities.

Another matter I wish to raise is the case of the young man named Calvin Klingbell. On September 25, 1957, this young man, only 23 years of age, was sentenced by Mr. Justice Wilson to be hanged on December 17, 1957, for the murder of an elderly grocer in the city of Vancouver. The circumstances surrounding this alleged crime were these. This young man, apparently in need of money, entered a grocery store, struck an elderly man on the head with a can and stabbed him. Calvin Klingbell did not leave the scene of the crime and remained there until the police came. His explanation was that he simply blacked out mentally and was not aware of what he was doing when the offence took place. This was the first offence ever committed by this young man. As a child Klingbell attended Sunday school and participated extensively in sports.

I realize that every person at some time in his life is capable of making a serious mistake. I do not personally believe in capital punishment. One important aspect of our British system of jurisprudence is that justice is tempered with mercy. At the present time petitions are being circulated and signed by people who know this chap, and no doubt in time this matter will be brought to the attention of the cabinet. I would respectfully request that they consider with meticulous care all the facts of

this particular case, and I hope the governor in council, pursuant to section 656 of the Crimal Code, will give this matter earnest consideration.

I wish to conclude by briefly dealing with the question of the tight money policy. I noticed in the throne speech there was nothing whatever mentioned with regard to this policy. I heard the leader of the C.C.F., I believe yesterday, mention that he did not think a solution to our problems could be brought about by a change in monetary policy.

Mr. Coldwell: Mr. Speaker, might I say immediately that if the hon. member will read my speech he will find that I did not say that.

Mr. Christian: What did you say, may I ask?

Mr. Coldwell: I said a change in monetary policy was no solution to the general economic problem.

Mr. Christian: Well, that is basically how we differ. We say there must be a change in the monetary policy of this country, because as a result of the tight money policy we can see evidence today of things levelling off. Times are not as good as they have been, and this winter we can expect to see increased unemployment in Canada.

Mr. Winch: Under the government you now support.

Mr. Christian: There is a beginning to everything.

Mr. Winch: Also an end, thank God.

Mr. Christian: In the course of time the Canadian people will realize that the monetary policy of this country is not what it should be. What party in this house today is trying to improve our own monetary policy?

Mr. Winch: The C.C.F.

Mr. Christian: The Social Credit party is attempting to give leadership in that regard. Let me read to the hon. member for Vancouver East (Mr. Winch) something that has been said by one of the greatest Liberals we ever had in Canada, Right Hon. W. L. Mackenzie King, which appears in the September 1957 issue of *The Canadian Social Creditor*:

> The Hon. W. L. Mackenzie King, prior to the election of 1935 which returned the Liberal party to power said: "I plead for a sweeping Liberal majority in order to carry out my policy of public control of currency and credit. Until the control of currency and credit is restored to the government . . . all talk of the sovereignty of parliament and democracy is idle and futile".

[Mr. Christian.]

Those words were spoken by one of the greatest Liberals we have had in Canada. After all, it is the people of this country who are the supreme authority, and they should control the country's monetary policy. When that policy does not work to the satisfaction of the Canadian people then the Social Credit party, the Liberal party, the Conservative party and even the C.C.F. party should put their shoulders behind the wheel and examine our financial institutions to see if they are working for the benefit of the citizens of Canada. We cannot assume that any existing condition is working perfectly and in high order. Let us scrutinize our monetary policy and observe it in the future with a watchful eye to see that it meets the needs of the existing situation.

The leader of the C.C.F. party mentioned that a serious world problem today is underconsumption. We are able to produce ample goods in Canada, but unfortunately many Canadians cannot get the goods and services they require. This situation exists under the tight money policy. Is it not reasonable, therefore, to put the finest financial minds in Canada to work on the problem in order to bring about a solution that will benefit all Canadian people? Thank you, Mr. Speaker.

Mr. Arthur Maloney (Parkdale): Mr. Speaker, I rise in this distinguished house with the emotions that we are told inevitably accompany this event when it occurs for the first time in the life of a parliamentarian. I will be excused, I know, if at the outset I make what you may feel to be a personal reference when I refer to my late father, Dr. Martin James Maloney, who sat in this house from 1925 until 1935 and three of whose colleagues still remain, the hon. member for Grenville-Dundas (Mr. Casselman), the hon. member for York East (Mr. McGregor) and the hon. member for Dufferin-Simcoe (Mr. Rowe). If on leaving this place, Mr. Speaker, either voluntarily or by the settled design of my constituents, I can boast of having served this house, my constituents and my fellow Canadians with the same loyalty and devotion he did, and if I can boast of having earned the affectionate good will of all hon. members in this chamber regardless of their political affiliation, then I shall leave with the same feeling of satisfaction I know he enjoyed. It is rather significant that I should have taken my seat for the first time on October 14, 1957, 22 years to the day from October 14, 1935, when he was defeated as the representative for South Renfrew.

Now, Mr. Speaker, as someone whom my colleagues from Toronto will confirm has had in his professional career not a little to do

with the criminal law, naturally I scanned the faces of the hon. members opposite with a great deal of curiosity on opening day, and in fairness I must assure my colleagues on this side of the house that I have never encountered any of them in my professional capacity.

I want to thank the Prime Minister for the honour he conferred upon me when he invited me to be the parliamentary assistant to the Minister of Labour. The duties of the office, I shall attempt to discharge to the very best of my ability, and I should like at this moment to say what pleasure it gives me to attempt to serve the Minister of Labour even in that humble capacity. The Minister of Labour, with a long background of experience has, in my opinion, a natural understanding of the problems with which his department is daily concerned; and in my observations of the operations of the department under his supervision I am satisfied that he will in a very short time be regarded as one of the finest incumbents that office has ever had.

I should like to join with the speakers who have preceded me, Mr. Speaker, in the congratulations that they extended to you and to the Deputy Speaker, and I should like also to add my congratulations to those that have already been extended to the hon. member for Calgary South (Mr. Smith) and the hon. member for Bonaventure (Mr. Arsenault) for the addresses they gave at the commencement of this debate.

I am aware, Mr. Speaker, that on this occasion it is customary for members to discuss some of the particular features and, of course, the needs of their constituencies. In the case of my riding, Parkdale, I am sure it is well known to the members of this house through the efforts of the illustrious members who have preceded me. I should like to say a few words about the people of my riding. Parkdale is a fair cross section of Canada. In addition to a stalwart Anglo-Saxon group of slightly in excess of 50 per cent, virtually all of the ethnic groups of Europe are also represented, including the Baltic peoples, Byelorussians, Hungarians, Italians, Germans, Croatians, Serbs, Czechs, Slovaks and the largest groups the Poles and Ukrainians.

I would like to make just a few comments about these newcomers. These lately arrived people are proudly aware of the traditions of our country and are eager to participate in its forward movement. They make an invaluable contribution to Canada's future promise. In the same way as did many of our forefathers some came to this country for adventure, some for freedom, but freedom was the spur which drove most of them here. Having found freedom they have a strong determination not to give it up, and they have an abiding desire to assist the enslaved peoples in their own home lands to regain theirs. It is this devotion to freedom, Mr. Speaker, exemplified as it is by so many of the people in my riding, which in my opinion is the bedrock on which all our future hopes must necessarily be founded.

Recently, in a speech at McGill University, the Prime Minister referred to the challenge presented to the free world by the launching of the Soviet satellite which, according to the news reports, is now circling the world at the unimaginable velocity of 18,000 miles an hour. On the occasion of that address the Prime Minister said:

> The free world will get nowhere by resorting to fear nor will it meet the challenge by the spirit of apathy based on defeatism.

I believe these are words, Mr. Speaker, with which every member in this house will agree. The Prime Minister's remarks on that occasion emphasized the great central defect of the Soviet system, a defect for which no number of satellites, no number of intercontinental missiles, no display of military or scientific achievement can compensate. That is, of course, the total and complete absence of freedom under its operation.

We know that under the Soviet system matters which we take for granted—free parliaments, free press, free trade unions, are unknown. The Soviet union is able to offer guns but not freedom. This is so in China, in Egypt, in the Philippines and now in Syria, where the Soviet union does not offer freedom, only arms. It is not unexpected, with its record of subornation of freedom, that the proudest scientific achievement of the Soviet union should have been the production of a satellite.

I commend to this house, Mr. Speaker, the United Nations report on the Soviet intervention in Hungary. There was Soviet freedom at its very finest. Another case is Poland, where the urge for freedom, the strongest urge of man, again is beginning to make itself increasingly evident. This, Mr. Speaker, is a great challenge to the Soviet monolith, the spirit of freedom which constantly manifests itself among the tragic peoples she oppresses and will continue to do so until, as we hope, it overcomes slavery and bondage.

The newcomers to Parkdale and the newcomers to Canada, besides helping to enrich our culture, bring to us a practical and often personal experience, and the experience as well of their friends and their relatives of days and nights of agony that are incomprehensible to us who have never felt the horror of the almighty state. Were I to bring

before this house the tribulations of the Polish people represented in my riding, the Hungarian people who are also represented, the Baltic peoples, the Ukrainian peoples, and the other peoples of the states of central and eastern Europe, peoples who have experienced at first hand the barbarities of the Soviet system, I am sure I would obtain the universal sympathy of this house.

The evil of communism feeds and fosters on disaster and decay. Excessive material hardship and moral decline are the breeding ground of communism. It is my hope that in international affairs our country will continue to raise its voice on the side of the weak and the oppressed, and that in our own affairs we shall continually strive to provide our citizens with such a standard of living as will render ineffective what has elsewhere proven to be the sometimes attractive argument of the communists.

The people to whom I have been referring came variously from countries in Europe between which there often were traditionally historical animosities and hostilities. In this country these hostilities are beginning to disappear. One of the reasons that accounts for their disappearance is the mutual anxiety they entertain about their own oppressed fellow countrymen. This has served to create a bond between them which constitutes a firm foundation for friendship and harmony in this country. These people teach us that Russia, in order to achieve her ambitions, counts on the tolerance of the peoples of the western world and counts upon disunity among the free nations of the world. They would have us believe that understanding and co-operation with soviet Russia are mere illusions, and indeed many of them go the length of suggesting to us such a drastic measure as the breaking off of diplomatic relations between the democracies of the world and what they describe as "the criminal regime in Moscow".

Today the tragic peoples who are enslaved in Europe look forward out of their present darkness toward a future in which they will witness the removal from the face of their home lands every last vestige of the disfigurement which was wrought upon them by the bolshevik conqueror. After his release from confinement last October and during the course of his New Year's message to the Polish people, His Eminence Stephan Cardinal Wyszynsky said:

> I wish to everyone patience as in patience you will be masters of your souls.

Those were words of hopeful advice to his own people and to the other peoples of central and eastern Europe. It was a tribute to this country that so many of these outstanding people should have chosen Canada as the country of their adoption and yet, on reflection, Canada really furnishes a natural setting for people of diverse ethnic origins.

Almost 300 years ago there commenced the process of two diverse races, each with ancient and different cultures, each with different attitudes and outlooks, living side by side. Differences of race and of religion were duly recognized and we were able to find a common ground in respect of our system of government. This country, then, furnishes a natural setting for the people to whom I have been referring.

(*Translation*):

Mr. Speaker, it is most gratifying indeed to me to address a few words to this hon. house in its other official language.

It was a source of very great pleasure, Mr. Speaker, for me to observe, as a newly elected member, that differences of opinion in political matters do not prevent the formation of friendships among hon. members of this house even though they belong to opposing political parties. I should like at this stage to follow the leadership of the Prime Minister (Mr. Diefenbaker) who the other day paid tribute to the present Leader of the Opposition (Mr. St. Laurent, Quebec East). It is a source of regret that the right hon. member proposes to resign from the leadership of his party after a new leader has been selected to replace him. For me, and I know for all newly elected members, it will be a proud boast always that we served as members of the house contemporaneously with the Leader of the Opposition.

Differences of political opinion on specific matters have not in any way minimized the esteem in which the distinguished right hon. gentleman is held. In serving now as Leader of the Opposition destiny is conferring upon him the same privilege it conferred upon two of his distinguished predecessors, Sir John A. Macdonald and Sir Wilfrid Laurier.

I am of the belief that our nation is a greater nation because of the historical association of two great races of people, the English and the French. They have lived side by side, more often than not, in harmony and good will. Out of this association has developed a nationality which not only makes us a more interesting country in the eyes of the world but an example in tolerance and understanding.

At the moment on this side of the house there are not as many representatives of my French Canadian friends as I should like to see, but in the expectation that when the first opportunity presents itself this situation will be corrected we are holding in reserve as

many as 50 places to accommodate the newcomers. In the meantime, it will be the proud privilege of all of us on this side of the house to see to it that the ancient rights and privileges of French Canada are jealously maintained and safeguarded.

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In attempting to understand what is embodied in the concept "Canadianism", sometimes that can be done by means of an experiment. If you were to try to exclude from your understanding of Canadianism some of the glories of French Canada, the historic sites of Montreal, ancient Quebec, Ste. Anne de Beaupre, St. Joseph's Oratory, how sombre the result would be. By the same token, by the same process, if you were to exclude from the ambit of what you understand to be Canadianism British Columbia, the prairies, Toronto, the maritimes, the tenth province, the result would be equally disheartening.

Canadianism then is of necessity as well as of desire a concept from which neither can possibly be excluded.

I hope that, however long or short my career in this place may be, I shall never utter a single syllable that will in any way interfere with the steady progress of our march towards national unity.

I was impressed on June 10 with the national character of our party. I was impressed with the support it received from all quarters. The support we got knew no boundaries of race, of class or of creed. We were supported by the poor people; we were supported by the rich people. We were supported by workingmen; we were supported by the people who hire them. We were supported by the English; we were supported by the French. We were supported by the Protestant, the Catholic and the Jew. We were supported by every group, every race and every class, in other words, we proved ourselves to be what others might sometimes suggest we are not; we proved ourselves to be a truly national party, the party of all the people in this country.

Finally, Mr. Speaker, I am proud to subscribe to the national development program initiated by my party and already foreshadowed in measures announced in the speech from the throne. The surveying and development of the Canadian north, the erection of projects to facilitate the extraction of our vast resources, the processing and control of these resources in Canada, are all projects which cannot but commend themselves to fellow Canadians. I may say, that it is with pride that as a member of my party I have witnessed the alacrity with which the Prime Minister and the new government have proceeded to translate these programs into effective measures.

The measures of social welfare too, Mr. Speaker, will greatly assist the aged and needy in my riding and throughout our nation. They are deeply welcomed and are prophetic of a successful administration which will bring together the conflicting forces of this country and all this, in a way that will best serve the interests of its people.

(*Translation*):

Mr. Alexis Caron (Hull): May I ask you, at the beginning of my remarks, to be so kind as to express on my behalf the usual congratulations to Mr. Speaker on this particular

occasion. I saw him in this house at a time when all we heard was of trouble and difficulties; I saw him when some members trooped toward the Speaker shaking their fists; I saw him then remain seated and very calmly wait until the storm had died down. He therefore showed at that time that he had all the qualifications required to adequately fulfil the role which is given him today. I was glad also to note—I did not know it before—that he handles the French language with wonderful ease. This, in my opinion, is essential for a Speaker of the House of Commons in Ottawa, where both languages are official, and both races represented.

I should like also to congratulate you, Mr. Deputy Speaker, for having been appointed chairman of the committees of the house. I feel the choice has been a very wise one, since you already have a good parliamentary training, having sat here for many years; moreover, you are known as a good lawyer, which will help you analyse and properly construe the rules and regulations; you are also conversant with both official languages of this country, and I am convinced that you will always be able to replace the Speaker with dignity, should he be absent from the house.

(Text):

I should like to offer my congratulations to the mover of the address, the hon. member for Calgary South (Mr. Smith). He has spoken in this house with all the characteristics of a perfect orator. I was not a member of this house when his illustrious father was a member, but I am told he is following in the footsteps of that hon. member, and if that is so he will prove to be one of the best members of this house.

(Translation):

I also want to commend the hon. member for Bonaventure (Mr. Arsenault) who expressed himself admirably in both languages. A member's maiden speech in this house is always the hardest to deliver. However, he got along splendidly.

Of course, he will learn in time that issues discussed here are generally federal issues. Provincial rights can also be mentioned, but my hon. friend will soon realize that, in this house, we mostly discuss problems under federal jurisdiction. However, he has done wonderfully well, and I wish him the best of luck.

I also would like to congratulate the previous speaker on the magnificent way he spoke French. We noted that his was not French of the written sort, spoken by rote. He has a good command of French, and he proved it. Even if I do not share all his views, I have to commend him and I trust that some other members will try to address this house in both our country's official languages.

I seize the opportunity of my first speech in this new parliament to thank the voters of my riding who were kind enough to return me to the house. In this last struggle, I had to cope with the united efforts of all those who dislike liberalism. A so-called independent Liberal candidate was put up, but this was done in the office of the Union Nationale in Quebec on February 7 last.

In spite of the concerted efforts of the supporters of this party and the money they spent, the people of Hull have recognized the services I had tried to render them ever since I have been their representative, and they gave me a substantial majority. I take this opportunity to thank them from the bottom of my heart.

(Text):

When the Leader of the Opposition (Mr. St. Laurent) spoke last Wednesday he informed the house that the Liberal party would not move a motion of non-confidence, nor would the Liberal party support any motion of non-confidence. At that time the Prime Minister (Mr. Diefenbaker) rose and seemed to blame the Liberal party for not offering a motion of non-confidence. I want to assure him that we are not following this course to be pleasant to the Conservative party. We are doing so because we recognize that even if the Conservatives did not receive a majority of the votes, they did get a majority of the seats and we therefore desire to respect the opinion expressed by the electorate of this country. If we had moved a motion of non-confidence the Conservatives would have been the first ones to say we were trying to prevent them from accomplishing the promises they made during the election campaign.

We reserve the right, however, to criticize what we feel should be criticized, and this is what we intend to do until the end of the present session. Last Friday the hon. member for Laurier (Mr. Chevrier) rose in this house and spoke of the attitude of the Conservative party towards national unity. He was rather severe in his expressions, but as a matter of fact he was right. Since the departure of Cartier and Macdonald the Conservatives have tried to run on a division of policy, one policy for one part of the country and another policy for another part of the country. While the hon. member was speaking some hon. members opposite stated he was working against national unity. Why is

the claiming of the rights of a minority said to be working against national unity? We have rights in this country because we were the first citizens to come from Europe. We have rights in this country because we form almost one-third of the population. When we claim those rights it cannot be said that we are working against national unity. We are making an appeal to the well balanced people of both races to recognize those rights, and that is what the hon. member for Laurier was doing and that is what I intend to do today.

Following the speech by the hon. member for Laurier I am told that some newspapers, the Toronto *Telegram* for one, said that if the Prime Minister had been in the house he might have called an election right away. I doubt that he would have done that because he would have had no reason to call an election unless he was afraid of not being able to fulfil the promises he made during the election. He would have no reason unless he is afraid he has no means of stopping inflation and unemployment which are increasing continually.

I really believe that, with the developments which have taken place since the opening of this session the Conservative party would not dare to go to the people before a certain time. As long as we do not place a motion of non-confidence before the house and as long as we do not approve any motions of non-confidence I think the Conservative party will be only too glad to keep power as long as they can do so.

The hon. member who preceded me said that they have 50 seats reserved for French-speaking Canadians. May I say that they can keep them if they want to. However, they will be filled by French-speaking Canadians but they will almost all be Liberals because we did not receive the representation we were expecting when the present cabinet was formed. As I said before, we make up almost one-third of the population. But what did we get in the present cabinet? We received representation to the extent of forming one-tenth of the cabinet, two out of twenty. Why is that? Is it because the Prime Minister has no confidence in the ten French Canadians from all over Canada sitting on the other side of the house? I do not know. However, the first thing he did was to honour one of them. He called on the hon. member for Three Rivers (Mr. Balcer). What post did he offer to him? He offered him the least he could offer to any man, namely the post of Solicitor General which is generally used as a stepping stone for somebody coming into the cabinet or as a post for a member of the Senate put into the cabinet as a representative of the government.

Mr. Balcer: You do not have to worry, you will never have such a post.

Mr. Caron: I am not worried about my hon. friend, but I believe he has a right to something better in view of those he represents. I believe that if he had done the right thing when he was offered such a job he would have either refused or resigned, in view of the fact that he was representing French Canadians of the province of Quebec. That is what he should have done. Today I want to give him a little bit of fatherly advice. He does not seem to realize the spot on which he has placed his French Canadian colleagues.

Mr. Balcer: You had 67 members from Quebec and you never did anything for 22 years.

Mr. Caron: During the Liberal regime there were always four to five and sometimes six in the cabinet representing the minority in this country. If my friend the hon. member for Three Rivers is satisfied with the situation as it is, may I say that he is easily satisfied. Certainly we are not satisfied.

Mr. Balcer: With six in the cabinet Quebec never received anything from you.

Mr. Caron: Even with ten, with the Conservative party in power I do not think we will receive much. At the present time we do not know what we are going to get. However, I know one thing, namely that we have not the representation that we should have.

An hon. Member: Just like an old maid.

Mr. Caron: Like an old maid, did you say? You should look in the mirror and you would see what an old maid looks like. Then they came along again and they increased the number from one to two and they gave a post to the hon. member for Nicolet-Yamaska (Mr. Comtois); they gave him a portfolio. I agree that it is an extremely important one. However, they took a man who has spent all his life in agriculture, a man who possesses a smattering of knowledge on matters other than agriculture, and gave him the post of Minister of Mines and Technical Surveys. What is the reason for that action? Is it because they were expecting that in a new post, dealing with a matter about which he does not know a great deal, he would be a flop? I do not know.

But one thing I do know is that the province of Quebec and the French Canadians of Canada are not satisfied with the way in which we have been treated and we shall not be satisfied until the Prime Minister

changes his attitude toward us. I am wondering why he did not give us more representation. I am wondering whether it is because the hon. member for Three Rivers at the time of the Conservative convention worked against the Prime Minister in favour of the present Minister of Finance and was telling why he was working against him. At that time he was telling everyone in the province of Quebec that the French Canadians could not have confidence in the Prime Minister. That is what the hon. member for Three Rivers said before and during the convention.

Then when the choice was made, they walked out in protest against the action of the rest of Canada which made the decision. I do not know whether it is true that he was refused a better post in the cabinet because the Prime Minister believed he did not have the necessary qualifications. I do not know if it is because the Prime Minister, even after having been in the east for quite a while, has retained his opinions of the years of 1928 and 1930, when with the Anderson Conservative party he was working against the Gardiner government. I do not know why, but I know one thing, namely that we did not get the representation we had the right to get. We are going to claim that representation.

Even if he could not find in the province of Quebec all he wanted, there are available some English-speaking French Canadians from elsewhere. There is the hon. member for Edmonton West (Mr. Lambert) whom I have known outside of this house. He is an able man and a good worker and is well qualified in many fields. He would have been a good representative of the French Canadians of the west. He was good enough to be called upon to be parliamentary assistant to the Minister of National Defence. He would have been a very good man.

Then there is yourself, Mr. Speaker, you are a good representative of the province of Quebec. You have had the qualifications to become the president of committees. I believe you have the qualifications to become a minister in the present cabinet.

Until the Prime Minister has decided to change his views and give to the province of Quebec and the French Canadians in the rest of Canada the representation we deserve I think we will not have any confidence in him. I believe that the right-thinking population in Quebec and in the rest of the country, both from the French-speaking ranks and from the English-speaking ranks, will look at the Prime Minister as a man who is working against national unity in this country.

An hon. Member: Oh, bosh.

[Mr. Caron.]

Mr. Caron: That is what I think and that is what the people think.

An hon. Member: That is untrue.

Mr. Caron: Wait until the next election and you will see whether or not what I am saying now is true.

Mr. Churchill: You do not want another election.

Mr. Cardiff: If you make another speech like the one you have just finished you will not be back.

Mr. Caron: I heard a voice saying that I would not be back. If there is anyone who will not be back, it is the man who spoke just a while ago because I do not think he is here by anything else but plain charity.

Mr. Cardiff: Will you repeat that remark?

Mr. Chevrier: You heard him.

Mr. Caron: I said that from what I have known of the hon. member, if he is elected in this house it will be only as a result of plain charity.

Some hon. Members: Oh, oh.

Mr. Caron: If hon. members want to interrupt me I should like them to speak out in a way that I can understand them. Otherwise it is difficult for me to answer them. Did an hon. member want to put any questions?

Some hon. Members: Go on.

Mr. Caron: Now that I have said what I wanted to say about the representation of French Canadians in the government, I want to go to something else. There is an important problem as between the city of Hull and the city of Ottawa. The city of Ottawa, being the seat of the national capital, I really believe that the government should look forward to developing it in the way in which it has been developed, but a little bit faster.

Mr. Balcer: How old is the problem?

Mr. Caron: The problem is much older than the hon. member who has spoken. But something has to be done. He, for one thing, is a good friend of Mr. Duplessis and I wonder if he could do something for the national capital and for the city of Hull. For a long time the former minister of public works (Mr. Winters) had been trying to secure the approval of Toronto and Quebec in order that a new bridge might be built as an alternative to the Alexandra bridge. The government in Toronto answered by sending experts to study the matter in order to ascertain what was possible. They made some proposals which were not acceptable at the time, but they did make proposals and that is something. But the government at Quebec consistently refused

to send anybody to study the matter, or to see whether anything could be done. The only answer Mr. Duplessis gave in Quebec was: Ottawa is the national capital, let the federal government build the bridge itself.

Mr. Speaker, it has been the practice in such matters for the cost of construction to be borne one-third by the federal government and one-third by each of the two provinces concerned, the approaches being the responsibility of the two municipalities. We have seen the minister of public works in the former government, and the present Minister of Public Works giving consideration to what could be done in the matter. There has been an acknowledgment by the provincial government in Toronto. What we need at the present time is the help of the Duplessis government. The Duplessis government did not want to speak with the Liberal government, but now that there is a Conservative government in power I think it should be very easy to obtain co-operation, and I suggest the hon. member for Three Rivers should speak to his friend Mr. Duplessis about the matter. Whether a new bridge comes from the Conservative party or the Liberal party the population will be equally glad to have it. If any hon. member had to cross from the city of Hull to Ottawa or from Ottawa to Hull at five o'clock in the afternoon he would find that under present conditions it takes between three-quarters of an hour and an hour and a quarter.

This is an undertaking that neither Ottawa nor Hull can carry out on their own; it is too expensive for municipal consideration, and can be done only by governments which have powers of taxation. I hope the hon. member for Three Rivers will look into the matter together with the Prime Minister and the Minister of Public Works to see whether something can be done during the short time they will be in office.

Mr. Balcer: Is that the new Liberal way, to insult, and afterwards come to ask for favours?

Mr. Caron: There is no insult. The hon. member, who is a lawyer should know the difference between a claim of right and an insult; if he does not, he should not be a lawyer at all. There is another thing—

Mr. Hodgson: I don't think the hon. member's judgment amounts to much.

Mr. Caron: I don't know that it amounts to much in the eyes of the Conservative party, but I think it does among the population which elected me.

Mr. Speaker, there is another question which I want to bring before the house. For over 50 years up to 1953 a succession of ministers of public works have assisted the municipalities in building protection walls. After 1953 the Department of Public Works decided that since most of the rivers were no longer navigated the federal government had nothing to do with the problem. If I am not mistaken, Mr. Speaker, under the British North America Act the waters spoken of are not "all navigated waters" but "all navigable waters"; whether they are navigated or not, if they are navigable they are the responsibility of the federal government. As I said, up to 1953, all the ministers, Liberal or Conservative, helped to build some of these protection walls. A while ago I asked in this house whether it was the intention of the present Minister of Public Works to continue this kind of work. He answered me in the same way as I was answered by the previous holder of his office.

I contend that either it is the responsibility of the federal government, because it is navigable water, or it is the responsibility of the provincial government because the bed of the river is the property of the province. We have been trying to reach an understanding about this with both the provincial government and the federal government. I know some cases where a river has cut into farmers' land for a distance up to 200 feet. The farmers are not responsible for that, and somebody should take the responsibility. If the present Minister of Public Works wishes to accept the view that "navigable" and "navigated" mean the same thing, I hope he will bring the question forward at the next dominion-provincial conference so that we may discuss once and for all where the responsibility in this matter lies. If the matter cannot be determined there, then let the matter be brought up before the supreme court so that everyone may know for certain to whom they must go to find a responsible body to look after this matter. It is a pressing problem and one which I hope the present government will consider.

Mr. Speaker, I will conclude on a Canadian note. Some newspapers have been conducting quite a campaign suggesting that the next governor general should be the Queen Mother or another member of the royal family. I want it to be very clear that I have all the admiration for the royal family that any Canadian should have for that family. Three years ago at the end of 1954 when I was mayor of the city of Hull we had the honour to receive the Queen Mother, and at that time I said a few words. I would like to take advantage of the opportunity of reading what I said at that time just to prove that though I intend to speak on this matter it is not because I have anything against the

royal family but because I only wish that a real Canadian should continue to be governor general of Canada. At that time I said this, speaking in French:

(Translation):

The city of Hull is very glad that Your Majesty thought it proper to pay us a visit on the occasion of your trip to the capital. We appreciate all the honour which this means to our city as well as to our province, and we wish to thank you.

It would be superfluous to welcome you, since our gracious Sovereign, being Queen of Canada, is everywhere at home, and the same is true for the Queen Mother.

We should like, however, to express our joy in having you here among us; I am voicing now, not only my personal feelings and those of the aldermen, but those of the whole people of Hull.

From time immemorial, alchemists have sought the philosopher's stone and the Fountain of Youth. If these men of science came back among us, "a miracle" would be their cry, if they could see, as we do, how intact, after 15 years—the date of your last visit to Canada—you have preserved your grace, your charms, your refinement, your enchanting smile which still continues to warm all hearts, your radiant beauty, and also how time seems to have suspended its course to keep you eternally young.

(Text):

As I said in French, we value highly the honour given to the city of Hull in having an official visit and I expressed the wish that she would have the kindness to tell Her Majesty the Queen of Canada that we all repeat again and again with great pride and sincerity the words of our national anthem, "God Save the Queen".

This is the way in which I dealt with the question at that time. With regard to having a representative of the royal family or anyone else from England as the next governor general of Canada I think this would be a step backward. For the past few years we have had as governor general a man who has been a perfect representative of the Queen. I do not think anyone could imply that the present governor general of Canada has not filled his high office with honour and distinction and I believe we will be able to find other Canadians to replace the present governor general when the time comes. Canada has attained its majority and, as some would say, we should not allow those who are more British than the British themselves to decide on this matter. Instead it should be one to be decided by Canadians for Canadians. I really believe Her Majesty the Queen would not consider it disrespectful to call upon her to name another representative from Canada as governor general. I hope the present government will look into the matter carefully before making a decision. In saying this I am convinced I am speaking for the majority of Canadians, that the next governor general should be, as is the case now, Canadian-born.

Mr. Jacob Schulz (Springfield): Mr. Speaker, as a new member of this house I should first like to express my gratitude to those who have given me the opportunity to come here. I consider it a great privilege to have become a part of this most important institution, the Canadian parliament, and to belong to a group of people who have the responsibility of designing and instituting policies for the purpose of directing the affairs of this country in a proper and progressive manner.

Of course, since I came here I have noticed that some hon. members occasionally become rather noisy in going about their tasks, but I suppose this is permissible in a democracy. Her Majesty the Queen renewed the pledge that there shall be free speech. I hope during my term in this house I will be helpful, not in making noises but in doing something worthwhile, by conducting myself and directing my efforts in such a way that the result of my work shall be of the greatest good to the greatest number, and especially to those who have been neglected and forgotten and who are now suffering from privation and poverty in the midst of plenty.

The fact that I am somewhat acquainted with the surroundings on parliament hill should be of some assistance to me in performing my duties. I have been here on various occasions with farm delegations presenting briefs to the government and pointing out and explaining the gradual but constant process of deterioration that has taken place in the agricultural industry during the years and which since 1951 has gone from bad to worse.

I venture to think I have made some valuable acquaintances down here while on these missions, perhaps even some friends who will support me. I can think of one in particular, the hon. member for Melville (Mr. Gardiner), who at that time was minister of agriculture but who is now sitting with me in Her Majesty's loyal opposition to which is assigned the task of expressing the wishes of the people and impressing the government with the need of taking the necessary action to implement those wishes. I believe I have friends all over especially in my own province. By the way, I have enemies too.

When I left the farm union movement at the beginning of this year the Winnipeg *Tribune* published an editorial and declared that I am the most beloved and most hated man in Manitoba. Being a fairly young man

it is natural that I should have both friends and enemies because being without enemies is such a privileged position in life that it is perhaps enjoyed only by the very old.

For example, there is the case of the gentleman who celebrated his 100th birthday. It was a great occasion and even the press became interested in this fortunate man who lived to such a ripe age. As the reporters interviewed him at one point he said, "Gentlemen I am 100 years of age and I am proud to say I haven't an enemy on earth". The reporters looked at him rather curiously and one of them said, "That is a beautiful thought, sir". "Yep", said the old man, "the last one died about a year ago."

Well, as I said, I still have enemies and sometimes I even have trouble with my friends. For instance, I would single out the previous minister of agriculture. For years we have tried to impress upon him and his colleagues the need of doing something to alleviate the desperate conditions in agriculture which are slowly but surely spreading to other sections of the economy and will have far-reaching ill effects on the whole economy if nothing is done, but it was to no avail. I regret to say that most of our pleas fell on the deaf ears of the former government. Again and again we had to return home empty handed in spite of the fact that we brought with us volumes of proof of the need of agriculture, and we had to sit and watch the plight of our industry and pray that the day of judgment might come soon.

Mr. Argue: It came, all right.

Mr. Schulz: Yes, it finally did come.

An hon. Member: And how!

Mr. Schulz: The 10th of June was a great day not only for Canada but for democracy as a whole.

Mr. Pickersgill: We hope you like your friends.

Mr. Schulz: Those who during their long years of office had become detached from reality to the point where they refused to listen to the truth have been cast into darkness and transformed into shadows of the past. I do hope they will be long shadows and that they will reach right across the floor of this house so that the ministers on the government side will always have a chance to look up and recognize them as a symbol of the pride that goes before a fall.

In certain sections of the country they do not even exist as shadows any more. This is proven by the fact that the group to which I belong is today the greatest political party in the four western provinces taken as a whole, and even in Ontario our vote has increased by 26 per cent and in Quebec by 29 per cent. I do know, of course, that we are not the government yet but we are the party of the future because the good book says that John the Baptist was not selected by providence to save the world; he was there only to prepare the way for the one who came after. With the name of the government leader being the same as the apostle I just mentioned there could be some resemblance and they do claim that history always repeats itself.

In the circumstances I am glad we have a new government no matter by what name they are known. It was high time for a change. If the speech from the throne read by Her Majesty the Queen means what it says,—and I say this advisedly—then we must give credit to this government for at least recognizing one part of our problem, which is more than the previous government ever did. As a matter of fact, even at the very last minute they did not admit the problem existed.

We appreciate the fact that the present government is prepared to do something especially for the senior citizens of this country by increasing their pensions and those of others who are worthy of the same treatment. It was they who made this country what it is. They worked for it in peacetime and they fought for it in wartime and they deserve real consideration.

Advance payments on grain which farmers cannot sell, even though they can be regarded only as a stop-gap measure, are most important. During the last two days before I left home I made a trip around the constituency I have the honour to represent and I visited 10 delivery points trying to find out how many farmers have not delivered any grain in the new crop year.

Here is what I found. The percentage figures are as follows: Oak Bank, 50 per cent; Whitemouth, 50 per cent; Lac du Bonnet, 50 per cent; Beausejour, 65 per cent; Hazelridge, 65 per cent; Alma, 65 per cent; Cloverleaf, 75 per cent; Tyndall, 75 per cent; Stead, 75 per cent; St. Owens, 90 per cent. These people have not sold one single bushel of grain, even though we have progressed nine weeks into the new crop year. I put these percentages on the record mainly for the benefit of those hon. members who come from industrial centres and no doubt shall have difficulty in understanding our problem out there. This problem was often brought before the previous government.

Just about this time last year, as chairman of the interprovincial farm union council I sent a memorandum to the former prime minister on this particular problem. Do you

know what happened? He did not even find it worth answering. This is what I received from his secretary:

> Mr. St. Laurent wishes me to say that he is fully aware of the situation with respect to the marketing of the grain crop in the west and that he cannot but regard many of the assertions in your memorandum as exaggerated.

Mr. Argue: He found out.

Mr. Schulz: To make it still more clear, I have decided to reveal the contents of a letter I received last week from a Manitoba farmer who asked me to use it in any way I saw fit in the hope that it will help. He states that the size of his farm is 709 acres, with 695 under cultivation. He goes on to give the income of this farm in the last five years. The figures are as follows: In 1952, a loss of $1,376.02; in 1953, a net income of $1,197.22; in 1954, a loss of $1,848.64; in 1955, a loss of $1,743.06; and in 1956, a net income of $674.89. He states that anyone wishing to challenge these figures may check them with the income tax department. Since this covers an average period of five years, he claims it was checked and counterchecked by the department.

This should complete the picture of the perplexing dilemma of an industry which for years has been subjected to a cost-price squeeze unprecedented in history and mercilessly driven to the bottom of the economic ladder. How far the destructive process has progressed is proven by a letter this farmer received from a mortgage company and which he enclosed. The letter is dated September 17, 1957, and is from the Great West Life Assurance Company. It is addressed to Mr. P. A. Schick, re account No. M. 42824. The contents of the letter are as follows:

> Some time ago we wrote you regarding the outstanding arrears on this mortgage and you were in touch with us saying that you could not draw any grain out, but that you had been to see the wheat board about the situation.
>
> Has anything developed since that time? As you know, these arrears are becoming acute and we cannot continue indefinitely without something more than just interest.

They are not even satisfied with interest. I think they are lucky to get that. Then they go on to say:

> If some definite arrangement has not been made by November 1, 1957, regarding a substantial payment, we might be forced to take other steps to collect.

This is the bankrupt position of Canada's basic industry in the midst of prosperity. This is not an isolated case; this is general. Nobody who knows anything about agriculture will dare deny it. We are desperate and helpless under the misfortune of several abundant crops. You can understand the situation in its full dimensions only when you see it or, more accurately, feel it and immerse yourself in it. These people are driven from their homes like beggars. They are losing their homes by the thousands and are driven to seek work in industry where there is no room any more.

The big question now is: What will this government do about it? I suggest that first of all the government should sell wheat. I mean sell it by any possible means. To do that the old fashioned, outworn Liberal marketing policy must be discarded because this is what has driven us into the mess. But from what has transpired since the government took office it would seem that the Minister of Trade and Commerce (Mr. Churchill) and the government as a whole are not yet ready to collect their wits and dig in. Speaking at Shellbrook, Saskatchewan, on the 19th of April, and reported in the Winnipeg *Tribune* of April 20, the Prime Minister (Mr. Diefenbaker) made this statement:

> The United States is actively trying to sell their agricultural products all the world over, and have been doing so for years. Canada has done nothing.

How much has been done since the government took office? I cannot see anything unless it is some place under cover. If it is, then I hope the government will bring it out soon because the farmers are getting desperate.

The next question is prices. This I think is our biggest problem. Rising costs created by inflation are the core of most of the troubles facing farmers and labour alike. In the last four years the farmers got it in the neck. I predict that in the next four labour will be hit. Living costs are climbing rapidly while the wheels of industry are gradually slowing down. As an example I want to mention the Manitoba Pulp and Paper mills at Pine Falls. For years this mill has been operating on a 7-day week. Now it is on a 5-day week and the rumour is that it will soon go on a 4-day week. The mill at Canora is already operating on a 4-day week.

I regret to say, Mr. Speaker, that the government has proven in the speech from the throne that it is not ready to lift its eyes and look at our most fundamental problem, that of inflation. President Eisenhower, when speaking to the twelfth annual meeting of the international monetary fund, said:

> The phenomenon of inflation must be curtailed before it spins into a depression.

What is our Prime Minister saying? He and his ministers did not even find this question important enough to mention it in the throne speech.

The assurance given in the speech from the throne that the government would introduce measures to stabilize farm prices in order to assure farmers a fair share of the national income will, of course, go a long way, if it means what it says or if it means what the Prime Minister said in the election campaign. Here is what he said at Shellbrook on the 19th of April as reported in the *Tribune* of the 20th of April:

I want to see the farmer protected. The parity we want to introduce would bring a level between prices and costs.

If this is true then I will not only give the government credit but will congratulate them on doing something worth while. But there is one thing I want to point out. No halfway measures will be good enough at this time. Millions and millions of dollars will have to be pumped into the bloodstream of this sick and dying industry to revive it, and there can be no more delay.

In the brief presented to the government by the interprovincial farm union council in August of this year it was clearly pointed out that in the last 18 months farm costs have increased by 16.7 per cent while at the same time the price of wheat went down by 23 cents a bushel. How can any farmer live in the face of these figures? Just last week it was pointed out in the Toronto *Telegram* that farm cash income turned sharply down in the second quarter of this year.

To stop this there must be prompt and immediate action. The dwindling buying power on the farm is today affecting not only every business establishment in every rural community but the whole business life of the country. Slowly but surely it is dragging down the entire economy.

The government was elected for the purpose of stopping this and to keep the economy on an even keel. It cannot be done by doing just something. There must be full-scale and purposeful action. It must be everything that is humanly possible, and we know what is humanly possible when the almost unlimited resources of this great, rich and wonderful country are put into action by a government. We have learned that during the war. If this is not done, then there is one thing that is certain in my mind and that is, this time there will not be any 22 years of grace.

Mr. R. C. Coates (Cumberland): It is with deep humility that I rise for the first time to bring to the attention of this house a problem that is of grave concern, not only to my constituents but to all the people of Nova Scotia. May I first express the gratitude of the people of my constituency to this government for the deep concern and prompt action shown by the bringing forth of the $100,000 subvention covering coal from the No. 2 colliery in Springhill. This prompt action prevented what could have been an economic tragedy for 7,000 people in the town of Springhill who are completely dependent upon coal mined from this pit. Let me say further that this $100,000 subvention was not a solution but it was an action which provided the time for the finding of a solution to this problem. The failure to take such action could very easily have turned this progressive community into a ghost town. When I say that the government action was of a temporary nature, I mean just that. This action provided the time necessary for the finding of a solution.

It is my humble opinion that a coal marketing board is the solution to the ills that have befallen the coal industry of Nova Scotia. In Canada we have the Canadian wheat board whose principal job is the marketing of western wheat. As a result of the actions of this board we exported wheat to the tune of $338,216,000 in 1955 and $567,907,000 in 1953. This is a wonderful thing for Canada. We need this money coming into the country. I say to you, Mr. Speaker, is it not unfortunate that in 1955 we were forced to watch $74,453,000, and in 1953, $94,680,000 leave Canada for the United States in payment for bituminous coal, while in the province of Nova Scotia we saw coal mines being closed, whole areas in a depressed state, which were sitting upon millions of tons of the same type of bituminous coal as we imported from the United States. We imported greater quantities of coal than were mined in this country. In 1956 we mined 15,100,000 tons of bituminous coal and imported 19 million tons.

In 1946 a royal commission on coal recommended that the mines of Nova Scotia be mechanized in order to cut production costs. A further study of the coal situation was made by the royal commission on Canada's economic prospects. This study indicated that the mechanization has reduced production costs but unfortunately other problems have arisen and are apparent today. With mechanization has come increased production and the owners of the coal mines, through necessity, have had to either sell more coal in order to maintain employment at the mechanization level or to retain production at the pre-mechanization level and employ fewer men. I do not believe I need to tell you, Mr. Speaker, what has happened. Dosco indicated very clearly the road it would take in both Cumberland and Pictou counties. If the commission data is

correct, then by 1960, 4,000 miners in Nova Scotia will be thrown out of work and 40,000 people directly affected.

A coal marketing board would do three things. It would keep the mines at full production, thereby lowering production costs still further. It would market the coal, both in Canada and overseas, thereby stopping large sums of money from leaving Canada and bringing much needed money into Canada. This board could also make a close study of the prospects of the gasification of coal, and if feasible, establish such plants. It is my humble opinion that many of the problems facing our coal mining communities would be solved with the establishment of these plants. We would then have not only a use for our coal but the basis for the establishment of industries in communities now entirely dependent on coal.

May I turn now to the speech from the throne, and say how happy I am, as a member from the Atlantic provinces, to realize that at long last a federal government has felt that this area deserved something besides unfilled promises. We in the maritimes have had a great many promises since 1867. We have received promises in every election campaign that has been held, but let me tell you very few have ever been fulfilled. It was very gratifying to a young man from the east, like myself, to hear the Prime Minister (Mr. Diefenbaker) refer to the maritimes as "these provinces by the sea". It is wonderful to even hear these promises mentioned in the speech from the throne, and it is indeed gratifying to know that some of the things that were studied and pooh-poohed by the former government have come to be realities for the people of these provinces. This represents a new deal for the east. May I say that as a result of this new deal there is a possibility of a reappraisal of a project which in 1867 stood fourth on the list of public projects in Canada. I refer to the Chignecto canal. May I say that with the attention given the necessity for power in the east this Chignecto canal may now become a reality.

May I offer my sincere thanks to the government on behalf of the elder citizens, the blind, the disabled and the veterans. It is indeed gratifying to know that at long last their services have been recognized.

May I now refer to the speech made this morning by the hon. member for Charlotte (Mr. Stuart), who said that we in the maritimes could look forward to nothing except industries that were built on subsidies or dependent upon subventions. In the last house Nova Scotia was represented by only one Conservative, but let me say that today that province is represented by ten Conservatives.

[Mr. Coates.]

The reason for this change is the fact that the former members from Nova Scotia all had that same idea, namely the idea that we in the maritimes must look to subsidies and subventions. We are not looking for something for nothing. We are not looking for a handout. What we are looking for is recognition to be given, just a little bit of recognition that we have always desired and never received. We have it now and you will see the maritimes come forward and become a part of Canada the equal of Ontario and Quebec.

May I say further to the hon. member for Laurier (Mr. Chevrier) that as a young man, I am indeed impressionable and that the speech he made last Friday, under the guise of Canadianism, was one of the worst speeches that any man could make in this house and contained the worst kind of tripe. It was made under the guise of Canadianism but in fact all he was doing was rabble rousing in the province of Quebec and trying to disunite this wonderful, great country of ours that can go so far if united.

Mr. Lucien Cardin (Richelieu-Vercheres): Mr. Speaker, I should like to join with all the hon. members of the house in extending to the hon. member for St. Paul's (Mr. Michener) my heartiest felicitations and warmest wishes on his appointment as Speaker of the House of Commons in this twenty-third parliament. Everyone realizes, I am quite sure, perhaps even more so than ever before, just how important, how difficult, and sometimes how ungrateful, is the role of Speaker. I think the Prime Minister (Mr. Diefenbaker) is to be commended for the excellent choice he made in assigning the hon. member for St. Paul's to this extremely important and responsible position.

The position of Speaker in the house has been referred to on many occasions as the foundation and the cornerstone of our democratic form of government, and the Speaker has been referred to as the guardian of the dignity and the prestige of this venerable house. Although I agree with both those statements, Mr. Speaker, I feel that they reveal only part of the true picture. In practice the dignity and the prestige of the House of Commons rests principally on the sincerity, the good will and the profound sense of responsibility of each member who has the honour of representing a section of the Canadian people in the House of Commons. With all due respect, Mr. Speaker, I maintain that the Speaker alone cannot preserve the dignity, the prestige and the effectiveness of this house unless all the members are willing to recognize and to share that responsibility with him.

One of the essential facts which apparently is forgotten sometimes in this house is that the purpose of the house is to discuss and to transact the nation's business in the best interests of the people of Canada and that the House of Commons is not and should not be used as a political platform or stage to further the interests of any one political party by putting on displays on trumped-up or non-existing issues which, of course, always get a good deal of publicity but whose aim is not to enlighten but rather to confuse public opinion. It seems to me that the real problems that face Canada today, whether in the national field or in the wider international sphere, are sufficiently important and sufficiently complicated without confusing them further with small-time political strategies which have never solved a problem in the past but which have been known to destroy the very essence of good and responsible government.

One must read a little bit of history or even again keep in tune with current events in the world today in order to realize that it is actually frightening to see how conveniently there can be compromise for the sake of expedience, how easily liberty can degenerate into licence and how narrow a margin there is between democracy and anarchy. One of the basic responsibilities of your high office, Mr. Speaker, and that of each member of the house, is to assure Canadians of a sound and responsible form of government whose only aim is to serve the best interests of the Canadian people and not those of any one political party. For this reason may I assure you—and I am sure I am speaking for all members on the Liberal side of the house—that, while expressing our point of view as forcibly and as energetically as we can we will do all we can to co-operate with you in the exercise of your functions in your very difficult position and that under no practical considerations, whether political or otherwise, will we act in such a way as to undermine the prestige of the Speaker or jeopardize the dignity of this house.

I should also like to take this opportunity to congratulate the hon. member for Calgary South (Mr. Smith) on the excellent manner in which he moved the address in reply to the speech from the throne. Of course, I am not expected to agree with all of what the hon. member said but at least I appreciate the fine manner in which he expressed himself. I hope we shall have the opportunity of hearing him often taking part in debates in the house.

(Translation):

I also want to commend the hon. member for Bonaventure for so ably seconding the motion on the address in reply to the speech from the throne. I know that in this house, with its sometimes rather stiff atmosphere, it is somewhat difficult to give a first speech to one's own liking, but I can assure the hon. member that he carried his task out very well.

Mr. Deputy Speaker, I also want to congratulate you on your appointment to this very responsible post. I am satisfied that you will carry out your responsibilities with your well-known dignity and talent.

(Text):

Although it is perhaps an established custom in the house to congratulate a newly elected prime minister and the members of his government, I cannot help feeling that it is premature at this time to offer congratulations. As a matter of fact, I would be ill at ease in doing so. Although I have great respect, esteem and even friendship for the Prime Minister and for the members of the government, I am afraid I disagree completely with the line of argument and the tactics used by the Progressive Conservative party in the last electoral campaign in order to win the election. Nor am I convinced that if the Prime Minister were to put into effect all the promises he has made the result would necessarily be a more stable economy or for the general welfare of the Canadian people. Before offering my congratulations I prefer to wait for the result of the government's legislation as reflected in the general economy and welfare of the country.

If the far-reaching and popular-sounding program of the government is successful I shall gladly take my hat off to the government and extend my congratulations. If, however, the Conservative program is not put into execution in a reasonable time or if the results of the program are not successful I shall be confirmed in my present opinion that the speeches and the promises made by the Progressive Conservatives were not made for the general welfare of the Canadian people but for the exclusive welfare of the Progressive Conservative party.

I do not think I will be surprising anyone who has been following politics within the past few years when I say that the plight of the Conservative party was for a long time the cause of great anxiety for many Canadians. The Conservatives had no real political policy or platform upon which they could campaign, and even today they are administering Canada with Liberal policies.

As members of the loyal opposition they offered no real alternative, no real solution to the pressing problems which faced Canada in the last parliament and, if you will recall,

Mr. Speaker, in the previous parliament they could not find an issue on which to fight an election. So during the last parliament they decided in conjunction with other political parties to create an issue and staged the filibuster on the Emergency Powers Act. And they found that by doing theatricals they secured a great deal more publicity than they could have hoped to gain from their speeches.

In consequence, they were good enough to inform the Liberal government in the following year that on the Trans-Canada pipe line they intended to stage a filibuster such as the house had never previously seen, and they did just that. In the course of the 16 days during which they could have discussed the bill intelligently they in fact impeded discussion on the bill by—

An hon. Member: By closure.

Mr. Cardin: Yes, Mr. Speaker, by closure. Closure was applied and, if hon. members will recall, the purpose of the opposition at that time was not to discuss the pipe line bill but to stop it and to block it. I agree that the minority in this house has rights, but then so has the majority and if it should come to pass in this house that legislation considered by the majority to be in the interests of the country can be effectively blocked by the minority, then there will no longer be democracy in this chamber.

Even though closure would most likely be applied to us as members of the opposition, if the Prime Minister goes through with the promise he has made to strike the procedure of closure from the rule books he will be opening a wide door to the abuse of the rules and regulations of this house. It will cripple parliament and pave the way for anarchy and on his head will fall the responsibility.

During those black days of the pipe line debate, apart from the speeches and apart from the loud words, apart from the insults and the attacks which were made, there was also a great deal of theatricals. The Minister of Finance (Mr. Fleming), with all the pomp and indignation of an exaggerated Shakespearean actor, stalked from the house, according to the script, and on his desk flew a little Union Jack to mark the spot where the supposed hero was supposed to have fallen a victim of an allegedly tyrannical Speaker.

Then, shortly afterwards, the Minister of Justice (Mr. Fulton), who is considered to be a bright young man, saw the tremendous publicity potential there was in being a victim of parliament, and not wishing to be outdone by his rival in the race for leadership of the Progressive Conservative party decided he was going to do things right. So before anything else he invited the members of the press gallery, the photographers, the television men to be in the hall outside the chamber with full lights blazing, so that they would not miss the hon. member for Kamloops as he came marching out of the house.

Some people may consider that to be pretty shrewd politics, Mr. Speaker, but I maintain it is not only unworthy of parliament but is dangerous. The hon. members who were the principal actors in this episode have been paying a great deal of lip service to the rights and prestige of this house. Their very acts not only contradict their words but also prove that they are willing to jeopardize the dignity of this house in order to achieve their aim.

Of course, the relative success of these shenanigans and political histrionics gained for the Conservatives the keynote of their entire political program, the keynote, in fact, of their entire campaign. That program may be summarized very simply: Sensationalism rather than soundness; fanfare rather than facts, and sophistication rather than solutions to national or international problems, with the result that Canada is now endowed with the greatest grandstand government of its history.

Hon. members opposite have been trying to make a very important point from the fact that the opposition will not move a want of confidence motion. Some of us regret that members of the government do not appreciate that the opposition is not only willing but actually anxious to have the government put down in legislative form this fine political manifesto it has been talking about. Of course, there are many reasons why the opposition should not move a motion of no confidence in the government and I daresay that any intelligent political observer knows those reasons. The reason I prefer—the reason I think is closest to the truth—is this: Canada and the Canadian people have been endowed with a generous and well-developed sense of humour and on June 10 they called the present government's bluff. Now we are all waiting to see how long the Conservative government can ride its bicycle with no hands.

Although the Conservative promises may have made very interesting speeches at the election, members of the government will soon find out that words are not enough and that the Canadian people have been accustomed in the past to expect from the government effective action and successful

results. We shall have the opportunity of discussing in great detail all the aspects of the government's program and activities during the months to come.

I would like to mention at least one of the activities which took place during the past few weeks and that, of course, was the commonwealth finance ministers conference at Mont Tremblant on which the Progressive Conservative hopes were so firmly fixed as a way of solving the very real problem of an unfavourable balance of trade with the United States. I can say that we were all very happy that the conference took place in Canada, and that we could be hosts to the finance ministers of the different countries of the commonwealth in the beautiful Canadian setting of Mont Tremblant. However, I have some very serious doubts as to whether we are any closer to a solution to this question of our unfavourable trade balance with the United States than we were before; in fact, I have the distinct feeling that we are further away from a solution, and it seems to me that it would have been perhaps much more successful, and certainly much more enjoyable as a get-together, if there had been no conference at all, and if the ministers had just sat around and had tea.

Mr. Martin (Essex East): Or skied.

Mr. Cardin: The United Kingdom proposal of establishing a free trade area with Canada came as somewhat of a shock, not only to the Canadian people but to the Minister of Finance as well. As a matter of fact I doubt very much if he has as yet completely recovered from that shock. The United Kingdom proposal of course certainly pushed the Prime Minister's rather striking suggestion of diverting 15 per cent of our trade from the United States to the United Kingdom right out of the limelight and perhaps, Mr. Speaker, it is just as well that it is so.

It is also perhaps fortunate that the discussion at Mont Tremblant centred around the United Kingdom proposal rather than around the Canadian proposal because now it gives the Prime Minister the opportunity of deciding exactly how he is going to go about diverting the 15 per cent of trade from the United States to the United Kingdom without becoming dictatorial about it and without having to subsidize either directly or indirectly the importers for the disparity in prices, in standardization differences, in costs of production, etc.

There is also no doubt, Mr. Speaker, that the declaration of Lord Thorneycroft, who himself announced to the Canadian people the United Kingdom proposal of establishing a free trade area with Canada, profoundly embarrassed our Minister of Finance. As a matter of fact the minister felt he had to give some explanation of his eloquent silence following Lord Thorneycroft's press release and more particularly, I think, after the minister had read some of the comments and opinions of our leading producers and workers. So, rather sheepishly, the minister made a statement which was reported by Mr. Blakely in the Montreal *Gazette* on October 10. Mr. Blakely refers to his interview with the Minister of Finance on the talks held at Mont Tremblant and the minister is quoted as saying:

> In these talks we have, of course, been mindful at all times of the interests of the Canadian producers in the Canadian market . . . I think this (free trade) proposal has been somewhat misunderstood in some quarters . . . It will thus be seen that the interests of Canadian producers have not been overlooked and we have no intention of doing anything to prejudice the interest of our own Canadian producers and workmen.

I should certainly hope that the Minister of Finance of Canada would not intentionally do anything that might prejudice the interests of the workers and producers of Canada; and what interests could the minister have in mind other than those of the Canadian producers, the Canadian workers and the general Canadian economy? Surely the Minister of Finance would not jeopardize the economy of Canada to save the face of the Conservative party.

Mr. Stick: I would not trust him too far.

Mr. Cardin: There is one last subject about which I feel very strongly and which I wish to bring to the attention of the house; it concerns national unity. The fathers of Confederation realized very early that no province could achieve the full potential of its natural resources and attain a stable economy by itself. Only through effective co-operation with the interdependent economies of the other provinces could the maximum of prosperity be realized by the provinces individually and collectively.

In spite of the fact that some of the wealthier provinces now feel more economically independent and more financially powerful than in 1867, the situation is still exactly the same today. Not one province could afford to be cut off from the economic and social advantages given to it by the British North America Act. On the other hand each province has contributed in making Canada what it is, a relatively prosperous country with an enviable future; but it will be a truly great country only if it is united. It must be united not only constitutionally but morally with a maximum of understanding, co-operation, patriotism, loyalty and kinship among Canadians of all provinces.

The greatest statesmen in our short history have striven to achieve this aim and indeed I am proud to state without fear of contradiction that one of the greatest champions of national unity has been and continues to be the leader of my party.

National unity is not only a possible goal but it is one which has been achieved to a very great sense during the last quarter century. There is no longer any real difference in the minds and hearts of true Canadians no matter what their ethnic origin may be. All have the same aspirations, all have the same patriotism and loyalty for Canada and for Her Most Gracious Majesty the Queen. There are no second-class citizens in our country; all have equal rights and these are acknowledged and respected by all true Canadians.

The Prime Minister is certainly aware of all this and yet while paying lip service to national unity and pretending to be the great defender of human rights he did not hesitate for one moment for political purposes to play the nine provinces of Canada against the province of Quebec on grounds that had nothing to do with public administration. I submit, Mr. Speaker, that the Prime Minister once again placed the interests of the Progressive Conservative party before the general interests and welfare of all Canadians.

Because of the great breadth of our country; because of its history, its economic, geographic and economic differences; because of its rapid industrial expansion which is not felt equally in all provinces, there are bound to be different points of view, different problems and different interests in the various areas of Canada. But none of these need be or are in fact obstacles to national unity as Her Majesty the Queen so eloquently stated in her talk to the Canadian people just about a week ago. In those very true words which the Queen spoke to the Canadian people there was more sound common sense than we have heard from members of the government for a very long time.

Canadians on the west coast are anxious to protect their salmon industry. In Alberta the problem is to exploit natural gas and oil as effectively as possible. In the prairie provinces the disposal of wheat is the major problem. The chief concern of the industrial provinces today is to protect both the producers and the workers. In the maritimes the problem is to protect the coal industry.

Mr. MacInnis: We will speak about the coal industry ourselves.

Mr. Cardin: I beg your pardon?

[Mr. Cardin.]

Mr. MacInnis: There are enough of us here from the maritimes to take care of a discussion of the problems of the coal industry. You stay in your own province.

Some hon. Members: Oh, oh.

Mr. Gardiner: Well, that is unity for you.

Mr. Stuart (Charlotte): No interference in Nova Scotia.

Mr. Cardin: Mr. Speaker, I think we have just had a classic example of the Progressive Conservative party's broad national outlook.

Some hon. Members: Oh, oh.

Mr. Cardin: As I was saying, Mr. Speaker, these are the problems that face the people in the different provinces of Canada. In Quebec we wish to protect our culture and our rights, to worship as we see fit without being considered as different or apart from any other Canadian. It seems to me that that is not so much to ask. Just as it is in the interests of all Canadians, from an economic point of view, to see to it that the interests, the varied interests, of the various parts of Canada are protected and our respective problems solved, so too is it in the interests of all Canadians, from a democratic and from a human rights point of view, to respect and to protect the fundamental rights and freedom of culture, language and worship, not only of Canadians living in Quebec but of all minority groups living in Canada. Because, Mr. Speaker, without the former you cannot achieve economic stability in our country and without the latter we have not even got a real democracy in Canada. As I say, Mr. Speaker, anyone who disregards these fundamental principles and who is willing to jeopardize national unity for the sake of political advantage is rendering a very poor service indeed to Canada and to Canadians. I may say, also, Mr. Speaker, that in the long run he is not aiding but he is destroying his own political party.

(Translation):

Mr. Speaker, I cannot help referring briefly to the visit to Canada of Her Gracious Majesty Queen Elizabeth II and of her worthy consort His Royal Highness Prince Philip. For the first time in the history of this country, the opening of parliament was presided over by the gracious Queen of Canada in person.

The opportunity afforded us, on this memorable occasion, of greeting the Queen, in whose person the governmental authority finds such a worthy representative, has been a very great honour for Canada. I am convinced that, throughout the various forms which our greetings took during those days, Her Majesty was conscious not only of the

loyalty of her Canadian people but also of their affection and of the love they were so anxious to show.

I was extremely gratified to be able to represent my constituents at those imposing ceremonies. As the member for Richelieu-Vercheres, I was extremely honoured to have been presented to her Gracious Majesty and I will cherish that memory as long as I live.

As I closely followed the traditional procedures of the opening of parliament and as I observed the innate dignity of the young Queen of Canada, I could not but feel once more that a tradition with its time-honoured splendours is an unappreciable source of cohesion, of strength, of legitimate national pride, of patriotism and of respect for constituted governmental authority.

As she spoke to the Canadian people, a week ago, Her Majesty showed herself to be really the Queen of Canada and of all Canadians.

The eloquent words of our sovereign have, to my mind, been another important step towards that national unity which strengthens the very real existence of this Canadian nation of ours, whose first principle is a deep respect for the culture, traditions and faith of every citizen of this country.

(Text):

Mr. Peter Stefura (Vegreville): Mr. Speaker, first of all I should like to extend to you my congratulations on being chosen as the first commoner. I would like to congratulate the mover (Mr. Smith, Calgary South) of the address in reply to the speech from the throne who used words to the effect that the terror one has in making his maiden speech reduces itself to a straight fear when one rises to speak. I sympathize with him. I can assure him today that he has a lot of company in this house.

I also wish to congratulate the seconder, the hon. member for Bonaventure (Mr. Arsenault). I shall also take the opportunity at this time to thank the people of the Vegreville constituency for the privilege and the honour they have bestowed upon me for making it possible for me to rise in this house to present their problems and perhaps offer possible solutions.

I am told the tradition has been that a new member usually goes to considerable length in his first speech to describe his constituency. I will try to do this to a lesser degree. The problems that the people are faced with are of prime importance and should be brought to the attention of this house for immediate remedial action. At this time I shall only bring in enough history and statistics so that one may understand more clearly the problems of my constituents and their possible solution and also so that he may be able to see more clearly the errors, the lack of appreciation on the part of our former government and the injustices that some of those people have received.

The Vegreville constituency is an agricultural area. Its history is new. In the same way that Canada is a young nation among nations the history of the Vegreville constituency is young as compared with that of other parts of Canada. Before 1890 very few white people knew its terrain or very much about it. There was the odd cattle ranch in the area that grew grass but, however, the biggest portion was very heavily wooded with timber and bush and was of no commercial value. To this wilderness came the first settler. In many instances it was necessary to cut some of the bush to make room for a little eight by ten shack because the only clearing was a slough or a bog. There were no roads or bridges nor any of the modern tools or equipment that one would consider an absolute necessity before going into a wilderness today.

The first settlers were of Anglo-Saxon origin, the English, the Scots, the Irish; the hardy people first settled in the Beaver lake area and as more of them came in, they settled in the Vegreville, Lamont, Manville, Andrew, Mindburn areas. The odd one, of course, took scattered holdings throughout. We then had a few French and German settlers arrive in the territory. They took up holdings not too far away from those who were already settled.

When the immigration policies of this country were changed to encourage more settlement and development in the new territories there was an influx of immigrants mostly from the central European countries which began about 1897. The Ukrainian people came in, the Polish people and, of course, more German people. Practically every European country was represented. The first Ukrainian settler who came to this country, Mr. Wasyl Elenik, who lived practically all his life since coming to this country in the Vegreville constituency is today buried in a small village that I call my home town of Chipman.

Today about 80 per cent of the people are of Ukrainian origin, of which I am also a descendant. We have never had any integration problems. There appears to be an unwritten law that is followed by practically all the people, a law that says more or less: I am proud of my nationality, I am proud of my church but I honour and highly respect the other man's nationality and the other man's church.

Perhaps with the conditions under which they first began they could not afford otherwise. Today they are all proud to be Canadians, proud of the fact that they can enjoy the freedom and the privileges of this country, proud also of the fact that they went into a wilderness not too long ago and within their own lifetime have developed that wilderness into an area that is as fine an agricultural area as we have in this country.

It was not an easy task. They had no capital and in many cases they had little more than a strong back and a couple of strong arms. The process was slow and tedious. Their health today is perhaps not what it would have been had they chosen an easier life, but then again this country might not have been as prosperous as it is today had they decided to do so. This does not apply only to the pioneers and senior citizens of Vegreville constituency but also applies to a greater or lesser degree to all our senior citizens. If it were not for their hard work, their courage, their clear thinking we might be doing business today in the terms in which this country was doing business at the turn of the century instead of having a gross national product of over $30 billion.

It is, therefore, only fitting and proper that our government should give our senior citizens the consideration they are entitled to. When the government brings before the house its proposed legislation on old age pensions we trust that the amount will be at least $60 per month per person and that where there is need there should be an additional $20 if it is matched by the provinces.

In 1949 when old age pensions were raised to $40 a month our gross national product was approximately $16½ billion. Today it is over $30 billion. It would be no more difficult for the government to pay $60 today than it was to pay $40 per month in 1949. Our senior citizens should not live in want or anxiety.

The Vegreville constituency is an agricultural area. In it I believe we have as fine and as productive land as there is in the country, bar none. With the exception of the brown soils found in the southern part of the province, we have every other type of soil found in the province, all of different productive capacities. This, coupled with the fact that most of the holdings are small, makes it urgent that government policies be more flexible to meet and face conditions as they actually are, rather than to formulate policies that they believe or think should exist under these conditions.

We do not have the really large farms that we find in the southern part of the province or in Saskatchewan, but what we call the larger farmers in my constituency, are faced with problems very similar to those faced by the large farmers of southern Alberta and Saskatchewan. Therefore I repeat, that the urgency is there.

I do not want to bore you with too many statistics at this time, but I should like to mention briefly what has happened to the agricultural industry. From 1951 to 1954 net farm income was cut almost in half, about 45 per cent. The situation since then has improved only slightly. In a lot of cases some of the farm people have been forced to live off depreciation. I would ask you, sir, what would the situation be in this country if other industries were forced to take a similar cut? What would be the situation if labour had been asked to take a 45 per cent cut in salary?

I would ask the ministers and the other members of the house to place themselves in a similar position and in similar circumstances where the prospects of improvement were not too bright and definitely very slow in coming. If there were a power above, that through its bungling and its policies or lack of policies, forced the ministers to take a 45 per cent cut in their salaries, if such a power were to force the members of the house who say the farmers want to be coddled or want hand-outs to take a cut in their salaries in similar proportions, I am sure that the heated accusations I heard thrown across the floor of the house by former ministers and some of the present ministers would seem like a Sunday school picnic. I am also certain that they would do enough hollering and raise enough of a ruckus to be heard in the high heavens. Yet a lot of people expect the farmers to accept such a condition and say nothing about it.

I am happy to see in the speech from the throne that the government has suggested it will introduce remedial legislation this session. To these measures we will be giving our support but we reserve the right to criticize constructively and, yes, to criticize severely if the legislation is too slow in bringing about action or is insufficient to assure the maximum stability of income to Canadian farmers and to re-establish their rightful place in our economy.

In the Vegreville constituency roughly 90 per cent of the people are dependent either directly or indirectly on the agricultural industry. When that industry was set back, through no fault of its own it affected every other business there. It affected the merchants, the fuel dealers, the implement dealers and so on right down the line. Some of these businessmen have told me that their sales have been reduced by about 20 per cent and in some instances by almost 30 per cent. They have extended credit to the limit and can go no further. In turn, they are being pressed by their creditors. It is not a healthy

situation, nor is it one that should exist when the rest of our economy is enjoying a much higher level of prosperity.

The tendency has been to lay the blame on the farmer. This is something I most heartily disagree with, and I again ask the house, Mr. Speaker, is it the fault of the farmer who has produced the food that the people of the world require or is it the fault of statesmen who have failed to keep pace with the scientific and technical knowledge of our age? Science has given the farmers knowledge, has given them more modern tools and equipment in order that they may be able to produce more efficiently, whereas our government's policies are still in the horse and buggy days.

The farm people have been told by the Food and Agricultural Organization founded at Hot Springs, in which Canada has representatives, that farmers must grow more food if the people of the world are to be fed. They must grow almost two blades of grass where one grew before. They must increase the production of cereals such as wheat, rice and the like by at least 50 per cent. They are also told that the world wheat supply on hand is only enough to last about three months if the people who so desperately need it were able to get it. Two out of three people go to bed hungry every day.

Our governments in the past have talked of surpluses. It has been said that the reason prices have dropped and the farmer finds himself in economic straits at this time is that he has overproduced. When the question was raised at the Food and Agricultural Organization, can modern agriculture supply the real need of human beings for food, the answer given them was yes, if the hobbles are taken off agriculture. What of the surpluses, it was asked. There are none, said the delegates. What had been called surpluses were surpluses only in relation to purchasing power and not in relation to the need of human beings.

Full production must be the goal so long as there are people anywhere in the world who are in need of food.

This idea did not have the support of the former government, as was made quite clear by the former prime minister in a speech at Regina some months ago. His message was quite clear. Wheat should not be produced, he said in effect, in excess of what could be sold in the ordinary course of business. If more were produced, then the farmer himself would be the chief offender. I have noted that according to the press there may be a slight inclination on the part of the present government to follow the same policy. The Minister of Trade and Commerce (Mr. Churchill) stated a short time ago that farmers should produce less wheat or perhaps convert it into livestock. This, in effect, would simply mean that the farmer would be jumping out of the frying pan into the fire.

The farmers and businessmen are not the only ones who are adversely affected by a depressed agricultural industry. Farm people, and others as well, find it difficult to meet their everyday obligations. They find it difficult to meet their hospital bills and doctor bills, and the hospitals are also running into difficulties that should not exist. Some of these problems may mean the difference between life and death to some of our people, but I hope such a situation will never arise. Perhaps I should mention at this time that the first hospital was built in the Vegreville constituency through the kindness and generosity of the United Church and some of the local settlers shortly after the first settlers arrived. Today there are two hospitals, one of which has grown to be quite an institution. I am speaking, of course, of the Archer Memorial Hospital at Lamont. It is an institution of which the local people, as well as many outside the constituency, are very proud. I might mention that again, within the space of not too many years, the doctors of this country have seen fit to choose a fine man from this hospital, Dr. M. A. R. Young, as the president of the Canadian Medical Association.

We have some other fine hospitals that are being operated by the Catholic churches and nursing orders. Some are municipal hospitals, but all of them are doing a wonderful job. Practically all of them are running into financial difficulties because of the inflationary trend in our economy and the depressed position of our agricultural industry.

I regret very much that there was no mention in the speech from the throne of a health program. The highly flaunted national health scheme, proposed by the previous administration, apparently has been sidetracked by the present administration. Does this mean that the Canadian people must wait for several years before they have a workable health program?

There is mention in the speech from the throne of certain changes in some of the taxation statutes, and of a federal-provincial conference to discuss fiscal relations as well as to seek a better understanding or arrangement of many aspects of public finance. As a former reeve of a rural municipality and a councillor today, I can well appreciate the many problems that face the junior levels of government across Canada. Changes will indeed be welcome. When we find that people are taxed in some cases beyond their ability to pay their municipal taxes; when we find

the people paying six times the amount of their municipal taxes to the federal government through direct and hidden taxes, certain changes are long overdue. When we find that almost 25 cents out of every dollar the people earn must go to taxes, we begin to wonder how much farther we can go. The exorbitant amounts that the people of Canada pay to the federal treasury through hidden taxes is one of the major causes of the inflationary trend in our economy. I trust that the present administration will propose legislation at this session to rectify this unfair situation.

It was with a great deal of interest that I read the interprovincial farm union's brief of August 15, as presented to the Prime Minister (Mr. Diefenbaker) and members of the cabinet, and found that Canada had lost approximately 48,000 farm units. It was with a great deal of interest also that I listened to the questions on the orders of the day and to the debate in committee of supply last week concerning the seriousness of our unemployment situation. It was most interesting because I found that Vegreville constituency, according to the 1956 census, had lost approximately 4,600 people as compared with the 1951 census figures. Last fall we lost a few more. This year a large portion of the Vegreville riding has had poor crops, and the result will be a loss of many more people. These figures do not include the many people who put in their crops and then were forced to supplement their farm income by seeking employment in other industries in Edmonton, Fort Saskatchewan or in the oil fields. Should the present condition of agriculture continue then the trend towards unemployment will become worse.

This brings to my mind the unfairness of the Prairie Farm Assistance Act. In areas where there has been a crop failure—and as I said we will have a fair-sized area in this situation in my riding this year—and it becomes necessary for the farmer to seek other temporary employment to keep his family, we find he does not qualify for prairie farm assistance. Even though these conditions exist, nevertheless he must make his contributions under the act from every bushel of grain he sells. The inconsistency in the act is most unfair. There are other stipulations also which make the unfairness particularly noticeable where the farm units are small.

The interprovincial farm union council has brought out quite well the factors that have contributed to the present emergency. I trust that I may have the privilege of speaking on the subjects of cash advances, the two-price system for wheat and others as they are brought before this house. I would ask that the government bring these forward at the first opportunity.

I have before me a clipping from the Toronto *Globe and Mail*. The headline reads, "P.C.'s Action to Match Party's Vote Pledges Says Confident Prime Minister". In one part of the article it is stated that he again made it abundantly clear he expected the co-operation of opposition parties during the session to carry out his government's legislative program for the benefit of all Canada. I have here as well a folder entitled "Progressive Conservative Agricultural Policy", with its thirteen points. On it there appears to be a reproduction of the Prime Minister's signature. I can say to the Prime Minister that I will be giving not only my fullest co-operation, but should the government forget these promises to the Canadian farmers to re-establish them to their rightful position in our economy I may remind him from time to time of those promises. Perhaps on some other day, Mr. Speaker, I shall be able to speak again.

Mr. W. H. Jorgenson (Provencher): Mr. Speaker, in rising for the first time in this house to take part in the debates, may I congratulate the mover (Mr. Smith, Calgary South) and seconder (Mr. Arsenault) of the address in reply to the speech from the throne. They acquitted themselves in a manner that speaks well for their constituencies and assures them of a healthy future in this house. May I also congratulate you, sir, on your elevation to your high office.

The constituency that I have the honour to represent lies in the southeastern part of Manitoba.

Its people are from almost every national origin, and they live and work together in the true spirit of Canadianism. Whether they be Mennonite or Ukrainian, French or British, Scandinavian or Polish, they have all made their contribution to the social, cultural and economic life of that part of Canada.

The progress that has been made in that constituency is characteristic of its people. The free enterprise philosophy that has built the town of Steinbach is in contrast to the co-operative philosophy of the people of Altona. Both are thriving communities, and both have developed industries that do business all over Canada.

The French-speaking Canadians have blended their culture and planning into such communities as St. Pierre, St. Malo, and St. Jean Baptiste while the people of hardy Ukrainian stock, despite many hardships, have thrived.

Although its products are varied, ranging from special crops to lumber, this is an agricultural constituency, and its economic destiny depends on the farm. The farmers in Provencher, like the farmers everywhere in Canada, have been caught in the giant squeeze, and recently many sad changes have taken place. Not since the thirties have we seen the awful spectacle of abandoned farms. But last year, they began to appear again. My constituency has suffered heavy losses due to excessive rains during the past few years, and some of the municipalities are in dire need of some form of assistance.

Having said this, and remembering the tragic flood of 1950, it may sound strange to say that one of the major drawbacks to the establishment of industry is the lack of a sufficient potable water supply. The people of this area are concerned to the extent that they have taken steps to plan for a water system throughout the area. This program, when it gets under way, will pay for itself, but assistance will be needed to get it started, and for that assistance I am sure we can depend upon the co-operation of the Department of Agriculture.

Being a farmer it is only natural that I am concerned about the future of agriculture, and I propose to deal with the problem in general terms because I feel that the situation is a general one. There are certain fundamental things that must be preserved, and I believe they could have been preserved had the necessary policies been implemented in time. I am afraid that some of the measures that must be taken now may conflict with a long-range policy. This is regrettable but, under the circumstances, necessary. Our objective should be to create an atmosphere that will enable the farmer to compete with the rest of the economy, and not to place him in the position where he becomes a permanent ward of the government.

The problem with regard to agriculture is many pronged. Frequently I feel that in talking of the "problem" there is a tendency to forget that we are talking about the lives and destinies of men and women and that instead we are talking about economic factors, about pawns in the broad sweep of the development of Canada's resources.

But then we have in the alternative those who talk about agriculture only with tears streaming down their faces, those who damage our case for an equitable deal by overselling. The very natural reaction to a speech that indicates that all farmers are desperate, and indeed hungry, is that the situation cannot be that bad. The reaction is to reject even the legitimate claims of our farming industry in both the east and the west.

Mr. Speaker, I have not risen here in order to make extravagant demands for agriculture. But I will say soberly and sincerely that our farmers are missing out on the boom, that they are failing and, indeed, for a number of years have failed to share in the prosperity that has marked this nation.

I believe that I can say with the utmost confidence that the eyes of the farmers of Canada are turned toward this parliament. They know what we should know, namely that a depressed agriculture slows the economic heart beat of the nation. They know that the farms of any nation are the rearing grounds for those who go on to accomplish great things in their nation; and they know, as we must know, that if we allow the economic and social plant of this nation to wither we shall be responsible for the slowing of the cultural as well as the economic growth of Canada.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Jorgenson: Mr. Speaker, when the house arose at six o'clock I was saying that this government could not allow the economic and social plant of our farmers to wither, for to do so would be to endanger the cultural and economic growth of Canada.

I do not wish to labour these points, but I do wish to make it clear that in my view there is an even higher claim than the claim of equity for agriculture which should dictate our policies here, and that is the claim that only in a truly secure and stable agriculture can the continuing growth of a great nation be assured.

Food surpluses, and especially wheat surpluses are very much discussed today. The system of cash advances on farm-stored grain that is being proposed to this assembly will take much of the sting from this surplus situation. And I believe that the long-run policies of this government and a measure of true leadership in agriculture will finally deal with this problem.

It is roundly predicted that some shift out of wheat acreage will serve merely to remove our surplus problem to other farm products. In part this may prove to be true. But I am quite satisfied that the problem of surpluses will never be solved without an effort, and if it does result in the need for some adjustments I am sure they can be made.

But surpluses are not a problem in all parts of Canada or, indeed, in all sections of the

prairie provinces. The one thing that farmers have in common across Canada is high production costs. Production costs are high only relatively to the prices of the products that a farmer has to sell. As far as the man on the land is concerned, this can be attacked from either end—prices can go up or production costs can come down. But as long as both continue at their present level the farmer is squeezed, and squeezed almost beyond economic endurance.

It should be clear by now that agriculture in this country has never been a prosperous industry. There have been short bursts of relative prosperity. For a short interval at the end of world war I the relationship of costs and returns was favourable to the farmer. After the end of world war II and especially around 1951, on the prairies at least, we knew a brief respite from economic pressure on our farms. But let us make no mistake: the normal destiny of a farmer in Canada is to know more of depression than of prosperity.

We have perhaps been prone to assume that this is inevitable. Certainly policies that now exist do not grapple with the fundamental sickness of the farm economy. Indeed one of the primary reasons we are in power as a government and the previous government is not is because the problem of the farmer has not been dealt with.

Why has it never been resolved? I believe I would be safe in saying that it has never really been confronted. It has never been grappled with because, in the counsels of government, the consumer point of view—the view that food should be cheap—has prevailed. The hard fact is that the people of Canada are buying their food for less than the cost of production; the people of Canada are being subsidized by the farmers of Canada, the one economic group that is least able to afford to subsidize anyone.

Where is this money for the subsidization of the consuming public coming from? Farmers are borrowing it from the brief spurt of prosperity they enjoyed in the early 1950's. For a short period farmers were able to invest rather heavily in capital goods. Indeed it was essential that they should replace the worn out machinery of the 1930's and during the war years and since millions of dollars have been invested in machinery alone. Now this investment has slumped; farmers are not purchasing capital goods to the same extent, nor are they setting money aside in a depreciation account to replace the machinery as it wears out.

Farmers are wearing out their capital assets without arranging for a capital fund to equal the wear, a process which the economists would refer to as net disinvestment. Their farms, in effect, are becoming worth less. And they are doing this, unwittingly and unwillingly, in order that they may subsidize the Canadian consumers.

Is such a situation desirable? A case could be made in its favour; in my view it would be a false case, but there are those who might sincerely support it. The fact is that cheap food is a benefit to 85 per cent of the people in Canada, the non-farming public. I can very well see that a consumers' point of view might prevail; and I can certainly see where powerful production forces might well think it desirable from an economic viewpoint that food for the immense labour force in Canada should be cheap. In the final analysis, cheap food presumably means that the earnings of labour will go further in providing a decent standard of living, and the cost of production of many goods may be reduced.

The gain to the economy when that gain is based on a low standard of living for the farmers in the economy is an entirely false gain. The farmers cannot be expected to underwrite the prosperity of the nation; if we must have cheap food then it must be by design, not by exploitation.

Under a laissez faire government, the standard of living of the farm community will for most of the time be low. This lesson has been harshly learned in the past half century in Canada. The competitive position of agriculture is weak. There is free competition between farm producers. Farmers are numerically weak and small in number. I believe it can be categorically stated that if the government stands idly by the relative position of the farmer will deteriorate further rather than improve.

What, then, is the solution to the difficult and pressing needs of the farmers. The solution, ultimately, must be government intervention—policies that will weigh the economy slightly in the farmers' favour, that will correct the imbalance that now exists and equate the real farm income position with the income of other segments of our prosperous economy. Thinking will have to be in terms of short-run policies and long-run policies.

At the moment the need for cash in the farm communities is critical. I would hesitate to suggest that the net income position of the western farmer is worse than that of the eastern farmer, but the western farmer has been unable to convert a substantial part of his net income into cash income. In other words, bins are flooding with unsold grain. The cash advance policy that this government has introduced will convert, at least, part of

this net income into cash, and in this way the western farmer, in terms of spendable income, will be brought to a position parallel with that of farmers in other parts of Canada.

That is a short-run policy for the western prairie producer. But agriculture across Canada is in a strained position, and, as I have pointed out, farmers are subsidizing the remainder of the consuming public. I am confident that no consumer in Toronto or Vancouver, in Winnipeg or in Montreal, in Edmonton or in Halifax would knowingly visit a low standard of living upon the men and women who produce their milk and their bread, their butter and their eggs. They sincerely fail to realize that the price they pay falls short of covering the cost of producing this food. If they ever came to realize it fully I am sure they would willingly pay the real costs.

I believe price supports must be raised to the point that will, in the short run, give a farmer the cost of producing the food he sells, plus a reasonable return. I think that if this is done with adequate explanation to the consuming public they will agree that it is just.

Grains are, of course, a special case. A minimum floor price—the initial payment—must be maintained. But when we come to the perishable foods that are consumed primarily upon the domestic market, then clearly the full production cost must be met.

Hon. members may tell me that we will arrive at incentive prices; that great surpluses will appear in meat and butter and the other alternatives to the small grains. To this I can only reply that we must put our salesmen out and try to sell our production and try to find new uses for our land in the growing of new crops and produce and the selling of as diverse a package as is humanly possible. If in spite of all this some surpluses do appear we will have to deal with the problems as they arise.

We have problems now. The problems that some already visualize will simply be of another form and, presumably, will be at least as susceptible to solution as the difficulties that now exist with regard to small grains.

I also think I should point out that an increase in the production of livestock anywhere in Canada would be made at the expense of the small grains. Land resources are limited, and increased herds of cattle or hogs, or bigger flocks of sheep or poultry anywhere in Canada would be made at the expense of prairie wheat acres. So although we might face some possibility of an increase in supplies of some of the protective foods, it would almost inevitably be made at the expense of some wheat acres.

The longer term policies for agriculture are the great challenge. May I quote from an article written by Mr. Ralph Hedlin, an agricultural economist which appeared in a recent issue of *The Country Guide,* a statement which I think sums up the needs of our industry:

> Agriculture can never be legislated or subsidized into a position of secure economic equality, at least without fundamental changes in the national farm plan and in national consumer attitudes. In the long run, the land in Canada must produce the food that is wanted by the people of Canada, and the people of Canada must be prepared to pay a reasonable price for it.

Consumers must be prepared to pay a reasonable price for farm products, a price which at the same time will be economic. But farmers must be in a position where they can hold down the cost of producing through the use of the most effective and modern devices. At the moment many of us cannot use such devices because we lack the essential capital.

In the short run we need income assistance, but in the long run we need reasonable prices, good markets and capital resources that will permit us to help ourselves. In the interim this will mean creative government policies and assistance.

I do not propose today to deal with the long-term policies in exhaustive detail because I hope opportunities may exist for further discussion at a later date. However, I do wish to outline some of the policies that are of first importance.

A realistic credit policy is a pressing need. A program of the general type of the Veterans' Land Act would be of great assistance to Canadian farmers. I do not believe I am giving credit where it is not due when I say that this program has been eminently successful. It has provided the farmer with a qualified consultative service on his production problems and the organizing of his farm enterprises and has also provided him with the capital at reasonable interest rates for making his new projects efficient. An extensive credit program along these lines would be of immense value to Canadian agriculture.

Crop insurance should be examined in detail. Price supports will provide income for those who produce but an actuarially sound crop insurance program would meet the critical needs of those who through no fault of their own suffer a crop failure. Many such people find themselves in the position of needing relief. I believe that a well qualified royal commission should be named to

quickly and completely examine the economic possibilities of starting a farm production insurance program, perhaps initially with modest coverage and on a modest scale. With even modest assistance to production and prices the destitution prevalent in the agricultural industry today could be alleviated and perhaps eventually avoided.

Marketing research should also be increased. It is my earnest hope that when the commission on price spreads is named it will have something of value to say on this subject. Admittedly marketing research is not directly related to price spreads as such but the whole question of farm marketing might fall under their scrutiny; this certainly would be my hope.

This government must also consider new markets and new products. If necessary the agricultural attaches at our embassies should be increased in number and markets for our farm products should be sought in the four corners of the world. If we find any new markets for products that we do not grow, our market specialists and researchers should co-operate to devise strains that can be grown in Canada and marketed from our farms at advantageous prices.

This government should co-operate closely with extension agencies in the provinces. I fully realize that extension is under the authority of the provinces according to the provisions of the British North America Act but we can at least co-operate in helping farmers to combine their undertakings more effectively.

One point which should have been clear long ago is that a really effective farm extension policy will have to wait for the organization of larger local units of administration in a number of the provinces. In Manitoba and in Saskatchewan, for example, we have small nine-township municipalities. It is too small an area for most types of administration and much too small for the proper organization at the local level of a really effective farm program.

There are many points with which I have not dealt in any detail, if at all. Producer-marketing boards should receive every encouragement from the government. Agricultural research and agricultural education are vital and co-operation with the provinces in these fields should be invited. The annual farm conference should be a real planning conference and farm leaders should return from it fully conversant with the production needs of their industry. Farm leaders and farm organizations both should be invited to co-operate with the government in designing farsighted policies.

[Mr. Jorgenson.]

The farm industry is essential to the health of this nation. It is not healthy itself at this time and therefore cannot transmit to the rest of the nation that which it lacks. I ask nothing for agriculture that I do not think is vital to the continued well-being of the entire nation. We cannot build a strong economy on a weak foundation. Agriculture is one of the cornerstones of our economy. A powerful structure cannot be built upon an ailing cornerstone.

The needs of agriculture should be of concern to every person in this country. I am not pleading only for the agriculturists of Canada, I am pleading for the well-being of the entire nation; therefore I say a farm policy which accomplishes the relative prosperity of our farm community is one of the really pressing needs of Canada and one of the grave responsibilities of this government.

Mr. Ovide Laflamme (Bellechasse): Mr. Speaker, at the outset of my remarks I would like to join with those hon. members who have preceded me in offering my sincere congratulations to the mover of the address in reply to the speech from the throne, the hon. member for Calgary South (Mr. Smith) on his good performance in delivering his speech. I wish him good luck. I think his constituents must be happy about the able way he delivered his first speech in this chamber.

May I say to you, Mr. Speaker, that I fully concur in what has been said by all hon. members who have extended congratulations to you on your election as Speaker of the House of Commons.

(Translation):

Mr. Speaker, at the outset of the few remarks I propose to make, I feel I should thank my constituents for the marvellous support they have once more given me and for the confidence they have shown in the Liberal party, at the general election, last June 10. Having been returned with close to 80 per cent of the vote in my county, I think I can say that my constituents have brought to the Liberal cause vigorous support and keen interest. This also means, I think, that they have approved the measures adopted by the last parliament.

During the sessions of the last parliament, of which I was a member, that is since January 10, 1956, I had occasion to raise a few problems with regard to which the people I represent would like some concrete action on the part of the government. I have already urged amendments to the personal income tax legislation for farmers who operate their farm on a family basis. I raise this problem once more, even though I now find myself sitting in opposition.

In my opinion the demands of the various local groups of the Catholic Farmers' Union throughout the province of Quebec, in this regard, are perfectly fair and reasonable. They should meet with favourable response from the government. I have more particularly in mind at this point the formula used for calculating the revenue of a farmer who operates his farm with his sons. This work done in common is such that, to my mind, the total revenue of a farm, under those conditions, cannot properly be charged to the head of the family alone, whether the children have been paid in money or otherwise since, in the final analysis, the farm becomes the property of the whole family.

At the last session of parliament I also raised in this house the question of decentralizing the unemployment insurance offices, and here I want to congratulate my colleagues the hon. member for Dorchester (Mr. Landry) and the hon. member for Beauce (Mr. Poulin) for their remarks in that sense. The purpose of such decentralization would be to put the offices within easier reach of the unemployed and to facilitate the quick processing of their claims. At that time I had pointed out, and I repeat it today, that the unemployed is in urgent need of money and should not be forced to cover great distances to reach the unemployment office in order to submit his claim.

The decentralization of unemployment insurance offices is closely related to the essential purpose of the act which created the commission, that is to say, assistance to the unemployed while seeking a new job, especially assistance to relieve seasonal unemployment which exists particularly in areas such as the one I represent. I am convinced that such improvements can be brought about without further increasing the burden of administrative costs of the Unemployment Insurance Act.

I also wish to point out to the house the fact that there is at this time in my constituency, as in various centres throughout the country a considerable number of workers who will not be able to find sufficient work to qualify for unemployment insurance benefits, even seasonal benefits during the coming winter. In this regard I do wish to draw the attention of the Minister of Labour (Mr. Starr) to this problem so that the regulations for the application of the act be amended in order to allow unemployed people greater facility in qualifying for seasonal benefits.

Mr. Speaker, under present regulations, an unemployed person cannot benefit unless he has fifteen weeks worth of stamps in his book since the month of March before his application. At the present time there are —and this is something which has never happened before to my knowledge—a great number of people in my riding who have not worked for more than six months in a single year, and I doubt very much that they will be able to find work before next spring.

The Unemployment Insurance Act should, to my mind, be continually readjusted to meet the present needs and those of the immediate future. I therefore think I am speaking for many of my fellow citizens when I say that if seasonal benefits are not made more accessible, a large proportion of Canadian workers will, apart from being unemployed in winter —which is already the case of quite a number —be barred from all help.

About this very matter of unemployment, I should like to draw the attention of hon. members to the motion of non-confidence tabled by the Socialist group of this house, upbraiding the present government for its failure to apply the necessary measures with regard to unemployment. Allow me to say, Mr. Speaker, that I consider this motion on the part of the Socialist group as mere publicity, at this stage, because it does not agree with the statement made by the leader of the Socialist group, on the day following the last elections, when he said that the Conservative party should be given the opportunity of running the country for a certain time.

Now, two days only after the opening of the present session, the Socialist party propose an amendment liable to involve the dissolution of parliament and consequently, a new general election. I would therefore ask the Socialists whether they are not actually bracing themselves for another electoral campaign or, at least, if they do not admit that their amendment would prevent the house from sitting and enacting the necessary legislation.

That is why I say that the statements made by the leader of the CCF party, in the wake of the last election, and his deeds and gestures are in fact contradictory and can but serve a publicity purpose.

Like all my colleagues in the opposition, Mr. Speaker, I have heard the numerous promises of the Conservative party concerning tax cuts; considering that it would be difficult for the Conservative party not to make good on at least some of these promises, I would like to suggest that all school and university fees be made deductible and that the law be amended so that school teachers, whose salary is below $3,000 in the case of bachelors and below $5,000 in the case of married people, be totally exempted from income tax. In my opinion, this would provide the government,

under the constitution, with means to help the education and instruction of our youth and would also, on the one hand, encourage parents to give their children a higher education and, on the other hand, would promote the recruiting of teachers throughout the country.

I have followed with interest, Mr. Speaker, the last campaign of the Conservative party and I have also found that the spokesman of that political party expressed different opinions according to the place where the said opinions were voiced. We all know the result of the last general election which was, in my opinion, a direct consequence of that double thinking of the Conservative party which does destroy the very foundations of national unity, a goal which has always been and still is one of the fundamental objectives of the policies of the party I support.

I have been shocked, as were several others, by certain statements made by Mr. Alvin Hamilton, of Saskatoon, leader of the Conservative party of the province, when he said, during last election campaign—repeating by the way, what had been said by the hon. Minister of Trade and Commerce (Mr. Churchill) that the government of the country could be made up and did not need Quebec to govern. And while the Conservatives were boasting that they are the confederation party, which had as its essential aims the union of the two great racial groups composing the nation, they were jeopardizing this union which is essential to the development of our country. This conservative thinking was again exemplified in the political pamphlets distributed even in the province of Quebec, and representing 26 important figures of the Conservative party, among whom we cannot find one single Canadian of French origin belonging to a group which includes nevertheless one-third of the population of our country. This provocating attitude of the Conservative party is again confirmed by the formation of the present cabinet with only a token representation of French-speaking members.

It is an insult to five million Canadians, and all the flattering speeches made by Conservatives for Quebec consumption have nothing in common with reality.

I wish to take this opportunity, Mr. Speaker, to congratulate the hon. member from Parkdale (Mr. Maloney) to whom I listened carefully this afternoon, for the wonderful statements he made to this end, and, as all the hon. members in this house, I look forward to the time when the Conservative party translates all its fine ideas into action.

[Mr. Laflamme.]

The best and finest years of harmony and economic expansion Canadians have known have been under the Liberal governments which have always based their fate upon the undeniable fact that Canada is a great country, because two important racial groups had decided in 1867, to work together to the composition and development of our country as a nation.

Those who, among French-speaking Conservatives, have accepted to play a token part in the present government, are acting detrimentally, to my mind, not only to their fellow citizens but to their own party, which is guilty of more than refusing to work for national unity. When in 1930 the Conservative party came into power, it was with the support of a good majority of the people of Quebec; but since 1935, the Liberal party has obtained majorities not only in Quebec but in nearly all provinces. The formation of the present cabinet constitutes a major insult to our whole history and a humiliating blow against a third of our population. This we will never forget.

I condemn the Conservative theory under which the Prime Minister himself (Mr. Diefenbaker) and his Minister of Justice (Mr. Fulton) say to the province of Quebec: give us more members and you will have more ministers. Accepting such an understanding would be extremely humiliating and would go against our democratic freedoms, for, until now, all members of this house have been chosen by the will of the people, and whatever their number, no government may commit any grave discrimination with regard to a racial group in this country.

We must keep in mind that our country has a dual ethnical character and to put an end to proportional representation within the cabinet would gravely affect national unity. The present Conservative government had some members of French origin elected in other provinces of Canada, but none of them were actually asked to join the government. Moreover, supposing a larger Conservative representation from Quebec would bring about a more numerous representation within the cabinet, it must nevertheless be kept in mind that, as all ministerial posts are filled, what would the Prime Minister do in case of the re-election of all his ministers, if he wanted to find portfolios in order to give the French element a larger representation on the morrow of the next election? In any event, I repeat, every important post has been filled. My objections have regard both to the prominence of those posts and to the number of French-speaking Conservative representatives in the cabinet. The statements made by the Prime Minister and by his Minister of Justice

are very unfortunate indeed. This type of tactics can only be interpreted by the people of Quebec as meaning: "Vote Conservative and then we will recognize you."

Of the three Progressive Conservative members who were returned from the Prime Minister's own province, two have been appointed to the cabinet. Seven Progressive Conservative members were returned from British Columbia, of which three were appointed to the cabinet. I fail to see how the same argument cannot hold true for the province from which I come.

Mr. Speaker, in closing these few remarks I simply wish to say that I was quite impressed by the attitude taken by the member for Parkdale and the member for Timmins (Mr. Martin).

Mr. Balcer: A good lesson for you.

Mr. Laflamme: Mr. Speaker, the lesson has been taught the Conservatives for the past twenty years, that is to say the Liberals have been teaching the Conservatives a lesson in bilingualism for twenty years.

I merely wanted to tell the house how gratifying it was to me to see that two representatives of different parties in this house took the trouble of expressing themselves in both official languages of this country, and I congratulate them sincerely. Their gesture was a commendable one, which should be repeated. Such a gesture was started and stressed, as it will be in the future, by the party to which I belong, the Liberal party.

(Text):

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, as the constituency of Prince Albert adjoins Mackenzie for about 150 miles I should like to say to my next door neighbour, congratulations on the splendid achievement of June 10. I have known the Prime Minister (Mr. Diefenbaker) longer than most members of the house. When I knew him years ago he was a very well known criminal lawyer in Saskatchewan. During the time he has been interested in politics I have seen his party led by Messrs. Bennett, Manion, Hanson, Meighen, Bracken and Drew. The present Prime Minister is the seventh and had he not had long experience as a criminal lawyer I am sure it would not have been possible for him to take the leadership of the Conservative party and become Prime Minister. In my view he has performed a great public service in having demonstrated to the Canadian people that they could get rid of a government that had lost touch with the people.

After listening to the Leader of the Opposition (Mr. St. Laurent) the other day, it appears as if it has become established now that there is really no fundamental difference between the members on the government side now and the official opposition sitting on this side. We will look forward to establishing the right to become the alternative to the present government when, as the hon. member for Springfield (Mr. Schulz) said, the people will not be prepared to give them 22 years to look after the affairs of the country.

I was interested in the speeches delivered by the mover (Mr. Smith, Calgary South) and the seconder (Mr. Arsenault) of the address in reply to the speech from the throne. I cannot recall any other first two speakers in such a debate admitting that Canada had a serious agricultural crisis. They should be commended for facing up to that fact at the very first opportunity. The hon. member for Calgary South comes to parliament with a name that is highly regarded here. During the time I have been here very few members have had as many good friends and as few enemies as his father had, and I am very glad to hear the hon. member speak out boldly at the first opportunity and say, as found at page 21 of *Hansard* of October 15:

> In assessing farm income there appears to be only one real question of debate and that is the question of urgency. I would suggest that if you examine one province, as an example Alberta, you will recognize that this urgency is indeed very real.

I must congratulate the hon. member for including this reference in his speech. Likewise, the hon. member for Bonaventure in rising for the first time referred to the fact that year after year the percentage of the rural population is declining. He went on to say that their agricultural organizations had hoped to prevent a second dispersal of their Acadian sons but that, alas, the exodus of young farmers and settlers who are forced to go elsewhere to earn a living is on the increase. As found in the English translation of his speech he said.

> How many boys and girls of my constituency have scattered all across the country and even across the border! They have not definitely quit their native village for they still hope that better conditions may allow them to come back home.

Therefore I am very glad that at the beginning of the session the first two spokemen for the government have pointed up the fact

that all across Canada we have a serious agricultural crisis. I intend to devote most of my time to discussing this matter but before dealing with it from my particular angle I should like to mention that since the election I have visited some of my Indian friends in my constituency. I have been honoured to represent over 3,000 Indians in the parliament of Canada. I think hon. members should remember that one of the highest honours conferred on the Prime Minister was his election as an honorary chief, and I am hopeful that he will never forget that the Indian people of Canada are looking to him to do something better than has ever been done before.

At Cumberland House, Pelican Narrows, Sandy Bay, Beaver Lake and Deschambault I find that the Indian people are facing new problems as the population increases. As the result of improved health services and family allowances the birthrate is increasing and infant mortality is decreasing. But we have forced the Indians farther and farther back and have made it more difficult for them to make a living. When I visited Pelican Narrows for the first time some years ago there was no school at all. For the first time in Canadian history the federal and the provincial governments reached agreement in connection with providing an education for Indian children, metis and whites and established a one-room school at Pelican Narrows. That school has grown to five rooms.

The principal of the school is a young girl, Stella Easton, who was selected by the superintendent during her last year at teachers' college. After one year in the north she was persuaded to take over the principalship of this five-room school. I wish hon. members could appreciate the tremendous responsibility we place on many of these young people. The Pelican Narrows hospital is managed by a young nurse who is employed by the federal department of health. When you consider that there are no doctors within several hundred miles of some of these centres, it becomes apparent that we must accept our responsibility and provide better medical and educational services for our native Indians in these northern communities.

At Cumberland House I met an old college mate of mine, the Rev. Mr. Parker. He married an Indian girl who taught school some years ago and he has given more than 30 of the best years of his life to looking after the needs of the people at Cumberland House. There is a great contrast between his parishioners and the parishioners of some of the churches that hon. members attend in the city of Ottawa. I appeal, therefore, to the Prime Minister to keep faith with the Indian people of Canada who have conferred such a high honour upon him.

Coming to the problems confronting the majority of the people I represent, the farm people, I should like to tell the members of this house that the situation is even worse than that described by the hon. member for Springfield this afternoon. The conditions in my constituency are worse. As I mentioned previously, the Prime Minister's constituency and mine have a common boundary for about 150 miles. Before coming to Ottawa I visited some 15 rural municipalities and local improvement offices in the constituency to secure first-hand information regarding tax arrears. While these are only figures to many people, I should like, in a few minutes' time, to deal with a few cases which those figures represent.

As I said, there are 14 rural municipalities and one local improvement district. In the last five years the arrears of taxes have gone from $775,421 to $886,755, then to $1,439,612 and then to $1,810,343 and $1,873,957. There is one municipality that is partly in the Prime Minister's constituency and partly in mine, Moose Range. The arrears in that municipality have gone up from $89,526 to $306,205. I am sure the Prime Minister, as well as I, realizes that farmers in those areas have not allowed this situation to develop for fun.

I also visited the larger school unit offices such as Sturgis, Nipawin, Tisdale, Wadena, Canora, Kamsack and Hudson Bay. These school unit offices have owing from taxes $2,149,000 and they are paying on bank loans of $1,223,000. Let us look at the larger unit of Nipawin, which is chiefly in the Prime Minister's constituency but partly in mine. In 1952 the Nipawin school unit had owing from these municipalities $272,000. Last year Nipawin unit had owing $545,000, from the municipality and they are paying interest to the banks on loans which amounted at the end of last year to $226,000.

Hon. members might be interested in knowing that it is necessary to have posted in the elevators a list of farmers who have not been able to meet their taxes. The elevator agents are required to notify the farmers that they will have to make some adjustment for the payment of their taxes before they can have any cash for themselves from the sale of their wheat. You see in

all the elevators in Saskatchewan, and I presume the same thing applies in Manitoba and Alberta, these lists posted when the grain is ready for market.

Let us take as an example local improvement district No. 949 in northern Saskatchewan and I shall cite two examples from the list. I shall not mention any names. Here is a farmer who owes $1,637. This farmer fought to make the world safe for democracy between 1914 and 1918. He settled in northern Saskatchewan on the bushland in that area when they were able to get 160 acres of fine bushland for $10. Then when world war II broke out he still was not too old to do his bit and he spent four years in the second world war. He now owes $1,637. Mr. Speaker, if hon. members could visit the homes of these people and see what they are like they would realize something of what it is like to fight in two wars and then be in a position where your tax arrears have grown to such an extent you are forced to conclude that perhaps you had better walk out.

Here is another veteran. He also fought in world war I and in world war II. He owes $1,138. I saw him a few days before I came away and he said, "I will soon be 60; after fighting in two wars and after trying to build up an equity in a farm, I guess I had better pull out and take to the city or do something else."

Just today I wrote to the Minister of Veterans Affairs (Mr. Brooks) about one of these veterans who is in the same position. He thought he could take some temporary work without losing his war veterans allowance. He wanted to do something about those tax arrears. When the Department of Veterans Affairs got word he had taken work at 80 cents an hour they cut off his war veterans allowance. I hope that these regulations can be changed so that a war veteran is not in that position. This particular war veteran was a sergeant with the present Minister of National Defence (Mr. Pearkes). I am sure the Minister of National Defence will agree that the economy of Canada should not place an old veteran in a position where he cannot earn a few dollars to try to bring his taxes under control.

Hon. members who live in big cities like Toronto, Montreal or Vancouver find it difficult to place themselves in the position of these veterans. Before I leave these lists I mentioned, here is someone who is in arrears and who is living in London, Ontario; someone in Edmonton, someone in Brandon and someone in Field, British Columbia. These are farmers who have pulled up stakes and gone elsewhere hoping that conditions will change and they may be able to come back some time and do something about it. Hon. members will find it difficult to believe that the 45,000 people living in Mackenzie now have not a dentist available to them. There was a time when we had five dentists to look after the needs of the population.

The first time I was in the penitentiary, some years ago—

Some hon. Members: Oh. oh. The truth is out.

Mr. Nicholson: —I was there on a visit—I found that there was a qualified dentist being paid to look after the inmates of the penitentiary. Times have changed, and we do not have a full-time dentist on the staff now. However, we do provide excellent care for the people in the penitentiaries. For example, in the penitentiary in the Prime Minister's constituency we pay over $4,000 a year to a dentist to work part time to look after the needs of the inmates. I am not complaining about that; I am not suggesting that a country like Canada should ignore its responsibilities to the people in the penitentiaries, but I am saying that there is something radically wrong with an economy when it places 45,000 farm people in a position where there is no dentist to look after them.

We have ten medical doctors and most of them are there on contract with a municipality.

However, we have some real problems that are arising there. I visited one of the municipal councils when they had been notified by the provincial government that since their population had gone down from 3,400 to 2,500 they would get a smaller grant, that the provincial government could not pay as much to look after 2,500 people as to look after 3,400 people. They therefore went to the doctors to announce that from now on the doctors were going to get less pay. "Oh, no", the doctors said, "you are going to pay more. Everything is going up. We can go to the city and make a great deal more than we are making here." The doctors said, "According to our records we are looking after more people now than we ever did before. The people who are leaving are the young and strong who go east or north or south or west. The old and the invalids are staying behind and someone must care for them."

I therefore submit, Mr. Speaker, that the Minister of Agriculture (Mr. Harkness) who has taken over his portfolio is going to have to face this problem soon and to face it squarely. May I say in passing that I think the Prime Minister made the best possible

choice in the selection of the Minister of Agriculture. I know of no one else on the other side of the house who would be as sympathetic toward farm problems and who would do a better job. But after saying that, I am going to stress what was said by the hon. member for Springfield (Mr. Schulz), namely that the people are going to require action very soon.

The farm people are disturbed by what they read in the papers. I have here the *Wheat Pool Budget* from Alberta. When the people in Canada read that the price of bread ranged from twelve cents a pound in Canada to eighteen cents a pound in the Unite States they think it is time that some responsible organization got busy in Canada and found out why it is, when our labour costs are so much lower in Canada, the staff of life sells at a price which is so much lower than the price down in the United States. I think something about the monopolies would be of real interest.

Then in connection with the handling charges we read that the board of grain commissioners announced this week an increase of one-eighth of a cent per bushel in the maximum elevator charges. While the farmers are facing bankruptcy the powers-that-be do not seem to hesitate to boost freight rates or to increase handling charges.

I also read that in the United States about one in every ten is receiving free food from the government. According to a recent United States department of agriculture figure, the number of people in the United States who get free food is running up over 13 million, and 12 million are school children. If they are able in the United States to dispose of some of their surplus food by making it available to the school children, we in Canada should be able to do something.

Then we read figures like those which the hon. member for Rosetown-Biggar (Mr. Coldwell) put on the record the other day; and may I say in passing that I am sure we are all delighted that the leader of this party is in such good health and that he was able to make such an outstanding contribution to this debate. But when they read that Frank McMahon, with an investment of $7,700, buying shares at a nickel apiece, was able to build up an equity of $4,000,000, it is not something which is easy for my veterans of world war I and world war II to contemplate. As I say, it is not easy for these veterans of two wars to contemplate that situation after serving their king and country in two wars and working to build up the roads, schools and other essential services, and who now, in the evening of life, are contemplating walking off without being able to pay their honest taxes.

The Saskatchewan wheat pool has supplied the government with an extremely interesting illustrated pamphlet entitled "The Farm Income Situation". Farm costs have gone up year by year, from a base of 100 in 1947, until they have reached nearly 150. Farm prices followed up until 1951, although not as rapidly as farm costs; but since 1951 they have gone down to 110, 100 and 90. In other words there is between 1955 and now a spread in farm costs of 140, with farm prices down below 90. The average farm price of wheat was away up to $1.65 in 1947; it kept coming down, with a little spurt in 1952, to about $1 or $1.25 at the present time. With the index of farm prices going up all the time our farm people are in an impossible position.

I am interested in noting that the Canadian Labour Congress has faced up to this problem and that it has come out with some interesting material showing how important it is for the whole economy of Canada that this problem be recognized. I submit to the present government across the way that two members of the previous cabinet were chiefly responsible for allowing this crisis to develop as far as it has gone. I refer to the former minister of trade and commerce and the former minister of agriculture. Those two senior members of the cabinet kept insisting year after year that the farmers never had it so good; that if a farmer was not successful he had no one to blame but himself. However, the Canadian Labour Congress comes out with this interesting research bulletin showing what the dwindling farm income is doing to our economy. The income of the workers has kept increasing as a result of the ability of the unions to bargain collectively. They are not quite able to keep pace with the increase in the cost of living and the profits that are being made but they consider it to be a serious national crisis for the farmers to be in this position.

Last year in the same debate I reviewed at considerable length the statistics which had been released a short time before in connection with the national income. There is an edition to be out shortly and I am sure that it will demonstrate that the farm position is even more serious at the present time. But according to the statistics last year, out of 601,000 farm families in Canada only 39,000 made enough to pay income tax. That would be less than seven farmers out of 100. I think most hon. members will agree that while that situation exists the buying power of the people involved is seriously reduced and we are not likely to have a recovery that is going to establish high levels of income.

I am glad that the new Minister of Agriculture is continuing such publications as "Agriculture Abroad". There was some fear that there would be some slashing in connection with publicity. However, it appears to me that Canada can afford to have a look at what is being done in other countries. In "Agriculture Abroad" for December I find that we get some information about the competition we are getting from some of these other countries. I should say in passing that the offer made by the British recently to wipe out tariffs really does not attack the fundamental problems of today when nearly every country in the world is supporting subsidy programs that take much more money than tariffs previously took. In this article in "Agriculture Abroad" I find that France paid between $1.40 and $1.48 per bushel for every bushel that went into the export market.

I ask hon. members this: who can expect to sell even the best quality of wheat in European markets if one of our competitors is putting wheat down at a price which carries with it a subsidy of $1.40 a bushel? There was a time when France was a major importer, but times have changed and France does not wish to be caught in a situation again when she must depend to such a large extent on overseas countries for her foodstuffs. So this policy in France is there to stay.

Also in this periodical are interesting articles about Argentina, Belgium and a number of other countries. Some interesting figures are given with regard to subsidies paid by Great Britain, and I am sure that the Minister of Trade and Commerce (Mr. Churchill) when he comes to discuss these matters in Britain will ask what they propose to do about the $551 million paid in farm subsidies over there. The subsidy for cereals amounts to $69 million; for eggs, $75 million; for fatstock, $139 million; and in production grants to $190 million.

I find no fault with the British for carrying out policies of this sort to make it possible for their farmers to stay in business, but I do not think the Canadian government should ask the Canadian farmer to buy his machinery in the highest priced market in the world while he is carrying on and attempting to sell in competition with wheat carrying a subsidy of $1.40 a bushel or, in the British market, in competition with British farmers who are receiving subsidies running up to $551 million.

The United States has, of course, a very extensive program of subsidies. Last year they made arrangements for the soil bank to cost something over half a billion dollars; farmers who co-operate can expect to receive over a three-year period something over $27 an acre. I was interested to read in the Ottawa *Journal* of last April an article by a well known radio commentator James M. Minifie. Mr. Minifie is a Rhodes scholar from Saskatchewan who has had an interesting career as a commentator and writer. Apparently he still has his father's farm near Vanguard, Saskatchewan—he has 480 acres there—and this article, which appeared in the *Journal* on April 6 of this year, mentions a plan to set up a belt conveyor to load his farm and move it down into North Dakota. Along with that would go a binful of the 1955 crop which was sitting in what used to be his dad's living room. After he got that down there, he would cash in; he would be able to get twenty cents a bushel more for his barley.

Mr. Minifie points out that an important difference would be that when he grew his crop he would be able to get cash; he would not have to sit on the farm forever and dribble it in on a 2-bushel quota. "I would just take it into town and the government would have to sweat it out from then on", the writer says. Mr. Minifie pointed out that he would probably put the northeast quota out of cultivation; it was not very good land, containing quite a bit of alkali. If he would take 200 acres out of production and devote it to not growing wheat he would make $4,200 down in North Dakota.

How can farmers in Saskatchewan who were not able to sell more than a 5-bushel quota last year possibly compete on such terms, having to buy their equipment in a high-priced market and then sell in a low-priced market? They have not solved all their problems in the United States, but they are continuing to devote their best efforts toward a solution.

For the coming year the United States department of agriculture is very much back in the export business. The bill amending the agricultural trade development and assistance act became law on August 13 and provides an additional $1 billion for concessional sale of agricultural commodities abroad and an extra $300 million for relief and other "give-away programs", according to the October issue of "Agriculture Abroad".

I have here also, a very interesting article explaining how the government of Switzerland is giving very high priority to keeping farmers solvent and prosperous.

The Minister of Agriculture also publishes the *Economic Annalist* and I commend him for continuing to make this publication

available. In the August issue there is a particularly interesting article on West Germany's plan for agriculture.

I submit, Mr. Speaker, that a country which is as rich in its resources as is Canada should study what other countries are doing. Here is a table compiled by the Department of Agriculture which shows that for the year 1957-58 Canada is paying producers on the basis of $1.40 per bushel. The price in France is $2.06; West Germany begins at $2.49 and rises each month until it reaches $2.77 to the farmer who holds his grain on the farm. Other figures are: Ireland, $2.09; Italy $3.61; Netherlands $1.92; Spain $4.20; Sweden, last year, $2.15; Switzerland, $3.92; Turkey, $3.73; the United Kingdom $2.01; the United States $1.93; Uruguay, $2.92.

Proposals now being mentioned in the press indicate a price of 50 cents a bushel for six bushels and a price of 30 cents for barley, 20 cents for oats and a maximum of $3,000 to a farmer who has 1,000 acres. This does not begin to meet the problem, so I hope the cabinet will give immediate consideration to the promises which were made to the Canadian people before the election that steps would be taken to see that those in Canada who produce food for this nation and other nations will receive a fair share of the wealth which is produced by all our people. I think it is very important that the government should give careful consideration to the submissions made recently by the interprovincial farm union council and the federation of agriculture.

I must urge that special consideration be given to the large markets available here in Canada. The bureau of statistics has made an interesting study of the distribution of non-farm income which appears in its most recent reference paper No. 76. It is pointed out that the average income per family in Canada in 1954 was $3,654. At first glance this seems to be a fairly high average but we must not forget that, according to this study, 12 per cent of the families in Canada received less than $1,000 a year income and a very large group received less than $2,000. I would therefore suggest that the question of family income be considered and all the people in Canada be given an opportunity of receiving a decent income so no one will be short of foodstuffs and the necessities of life.

I hope we will not lose sight of the fact that it remains true that two-thirds of the people in the world have never enjoyed one good meal. In a booklet published by the Department of National Health and Welfare in connection with world health day it is pointed out that if all the people in the world were to have enough of the right kind of food the production of cereals would have to be increased 50 per cent, the production of meat increased 90 per cent, dairy production increased 125 per cent, oil production increased 125 per cent and fruit and vegetable production increased 300 per cent.

Having established in Canada during the war that whatever is physically possible can be made financially possible I submit the time has now come when we should see to it that those who are producing food are given an incentive to produce all the food we can use, all we can sell and a large amount of food which we can give to the underdeveloped countries of the world to raise their standards to a much higher level.

Mr. E. L. Morris (Halifax): Mr. Speaker, I can understand any difficulty hon. members on the other side of the house or at the far end of the chamber had just a moment ago in realizing that I was in fact standing in my place. My colleague from Halifax is a full foot taller than I am. On June 10 the people in my constituency voted for both the long and short ends of the Conservative ticket.

Mr. Studer: And they got the short end, all right.

Mr. Morris: It is symptomatic of the change that came over Canada that day, Mr. Speaker, that in our two-seat constituency, one of two still remaining in Canada, we Conservatives now do not have a senior member for Halifax and a junior member for Halifax; we have simply a taller member and a shorter member.

Once upon a time I observed the goings on in this house from the gallery of the fourth estate above us. By all standards I have been subsequently exalted though it is permissible for me to wonder how I have gone up by coming down.

My first sense of gratitude at this time for being here is understandably to the people of my own constituency. My second, Mr. Speaker, is sincerely to the parliamentary press gallery wherein I spent the formative years of my political belief, wherein I received my first on-the-spot education in the labyrinth of government and from whence I watched with slow disenchantment the gradual decline of a once great political philosophy. I used to sit up there and think of Gilbert Keith Chesterton: "As much as I ever did, more than I ever did, I believe in liberalism, but there was once a rosy time when I also believed in Liberals."

The members of the parliamentary press gallery are indispensable to good representative government in this country. They are indeed the vital link between this house and

the people. Under your direction, sir, they enjoy—and quite properly so—certain facilities to assist them in their work. Over the years as their numbers have grown with the increase in government activity and the people's interest in it the facilities allotted to them in this building have become crowded to the point where they are no longer conducive to the best effort on behalf of this house and, what is more important, they are not wholly conducive to the best interests of their readers, listeners and viewers. Mr. Speaker, may I respectfully ask your consideration in due course for the provision of improved facilities in this building for the membership of the parliamentary press gallery.

There is a second reason I ask your consideration which has to do with the honour and dignity of this house. It is no part of the intent of the press gallery, but its inevitable expansion into cramped quarters has necessarily involved the use of a corridor of this building, which cannot be as satisfactory as it might to those journalists who must work there and, Mr. Speaker, without their intent—indeed with no other choice—this constitutes in part a physical use of a small part of this building which is not in keeping with the use of the rest of the building.

As a new member I am sensible of the traditions of this house of assembly. We Nova Scotians have a long inheritance of representative government. Indeed we are preparing to celebrate a year hence, in October 1958, the 200th anniversary of our first house of assembly.

This building in which I stand represents to every Canadian the strength and glory of his self-government. I had walked many times the wide walk to this building but never before and perhaps never again with the same feeling with which I came to Ottawa soon after the election to take my oath as a member of parliament and to come quietly by myself to this house to which I had been sent in trust by my people. What did I encounter? A series of make-believe post offices, a stage at one end of the chamber, a congress of visiting persons—beyond doubt distinguished but not members of the Canadian parliament—with every seat taken, the aisle filled, the government lobby full of wires and box lunches and television receivers.

I do not question the worth of the organization that gathered here this summer but I do wish to object to the former government's allowing the use of this chamber for that or any gathering of a non-parliamentary nature and I do not think the government I have the honour to support would have allowed it.

Mr. Gauthier (Portneuf): Well, well.

Mr. Morris: Mr. Speaker, I do not want any post offices in this chamber and I do not want any strangers in my seat—

Some hon. Members: Oh, oh.

Mr. Morris: —whether we are in session or adjourned. This seat, or some seat, belongs to my electorate. I belong to them. I do not want any stranger in it; they have a right to a seat without let or hindrance. There are other places in the city where congresses may foregather. We are more than glad to have them among us, but not in this chamber which is the meeting house of Canada. It should be preserved for one purpose and one purpose only, to house the elected representatives who have the trust from time to time of the majority of their constituents.

To me, Mr. Speaker, as a fledgling member of parliament, trying my wings for the first time, the most important part of the speech from the throne I believe is appropriately at the very beginning. The Queen said:

> Parliamentary government has been fashioned by the wisdom of many centuries. Its justice, authority and dignity are cherished by men of good will. It will be the high purpose of my ministers not only to preserve these qualities but to take steps to make both houses of this parliament more effective in the discharge of their responsibilities to the people of Canada.

This is essentially the ideal that motivated the people of Canada, especially those in my constituency, on June 10, Mr. Speaker. If members are indeed honourable in the sight of their fellow men, then all other reform of legislation will come in good time. If parliament is debased, then the processes of representative self-government are in jeopardy.

We come to this particular parliament in the midst of a period of danger that is likely to be as profound as any in the modern history of the human race. Its symptoms are disintegration and conflict. We inhabit a world confronted with ballistic missiles, hydrogen and atomic bombs and now man-made moons. We stand very literally at the crossing of the ways. When the first atomic bomb was detonated in the Nevada desert 13 years ago, one reporter who witnessed it wrote:

> What I have just seen, the last man on earth, in the last milli-second, will see.

Another reporter who sat beside him saw a different light. He wrote:

> I felt as if I had been present at the dawn of creation, when the Lord said, "Let there be light".

We have to choose, Mr. Speaker, whether we are to go forward into the future to greater light or backward into the ooze and slime of the beginning. Unless our world is

to revert to a chaos of competing barbarisms, a new and a better spirit must soon preside over the destinies of mankind. It halts in coming externally only because one country, and its earthly sputniks, refuse to open their iron curtain to grasp the hand of mutual survival which is offered to them. Internally, our greatest task at this first session of a new parliament, in the presence of a new government, is to undo any harm that may have been done the good name of parliament and to restore it to the people as the fountain of their liberties and the shield of their faith in their country.

I do not presume to say what other hon. members are expected to do by their constituencies but I am certain that my constituents did not send me here to engage in a reciprocity of childish invective and thoughtless insult across the floor of this house. I happen to differ in my political philosophy from hon. members on the other side, and indeed at the far end of this house, now inhabited by Social Credit members. This is only to say that they differ with me. We are all Canadians. I am only a young man; I make mistakes. A parliamentarian who does not make at least one mistake a day is not working, but I hope never to impute to those across the floor motives which I think are meaner than my own. We can disagree and do disagree but it is honourable disagreement of opinion that makes horseracing a gamble, marriage risky—and democracy work.

I do not propose at this time to speak at great length of the constituency of Halifax which I and my colleague (Mr. McCleave) have the honour and the duty to represent. There will be a better time and place for that, though I shall refer to it briefly in a moment. I should like, however, to make one or two brief general observations. If in doing so I violate the good spirit which I have just bespoken, I hope hon. members across the floor of the house will do me the honour of upholding the usual parliamentary usage of understanding that I am not to engage them in any reciprocity and they do not interrupt me in my maiden speech.

I have been sent here, Mr. Speaker, not only by Conservatives but by Liberals and by C.C.F. supporters. I regard myself as the member for all the people of Halifax. The duty assigned me on June 10 is, I think, to represent all my people along Conservative principles of conduct and government. I think the most significant reason I am here is that it was felt that my predecessors represented only those who they thought had supported them.

[Mr. Morris.]

Secondly, 10 of the 12 members of parliament from Nova Scotia sit on this side of the house. Most of us are young, 29, 33—my colleague and I 34—37 and 39. And who can call the Minister of National Revenue (Mr. Nowlan), our provincial caucus leader, anything but a sprightly youngster? I think we are likely to be more idealistic; we are likely to be more open-minded, I suspect that we are likely to be much more aggressive, than our predecessors.

We were not sent here by our fellow Nova Scotians to whine; we were not sent here to set our faces against the rest of Canada. We were sent here to get fair play, nothing less but nothing more, individually if we can, together if we must. We intend to work tirelessly to achieve for our people a fairer share of the gross national product. In nothing we shall ever do shall we intend to set ourselves against any other part of Canada. As I trust that nothing I shall ever do or say in this house will deny me the prospect of mutual respect with any member, so in everything we do we shall hope to prosper our country as a whole.

As I mentioned earlier, Mr. Speaker, it is a tradition that a new member in his maiden speech will constrain himself to deal with the opposition lightly, if at all, and his opposition shall not interrupt him. I do not intend to violate this usage when I say sincerely that I regretted as a new member an observation which I believe was made by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) that the Minister of Finance (Mr. Fleming) was being "professorial" when he described to the house the procedure for the introduction and passage of interim supply. I personally was confronted for the first time in my life with the fact that I had a hand in the expenditure of $305 million and I was grateful for the minister's guidance. I would be surprised if new members on the back benches across the way did not appreciate the minister's consideration at a time when we were being asked for the first time to vote such large sums.

One of the two-twelfths of the Nova Scotia representation who do not sit on this side of the house, the hon. member for Inverness-Richmond (Mr. MacEachen), told this house just before the supper recess that he would withhold congratulations to my leader but, sir, I entertain no such patronizing reservation about his leader. It has been an honour to have come to this house and to have shared its duties and the high honours of the past week—

Mr. MacEachen: May I rise on a question of privilege? I believe the hon. member for Halifax is sincerely mistaken in attributing remarks to me because I have not yet taken part in the debate.

Mr. Morris: I am sorry if I incorrectly addressed the remarks to the hon. member for Inverness-Richmond. The member on the other side of the house who spoke immediately prior to the recess made the remark that he would withhold congratulations to my leader. In any event, as I was saying, it was to me an honour to come to the house and to share what we have shared in the last week with the Leader of the Opposition (Mr. St. Laurent). On behalf of my constituents, those who voted Conservative, those who voted C.C.F., those who voted Liberal, I join in extending to him and to Madame St. Laurent every good wish that their future years, after his announced resignation takes place, will be enriched with both peace and the honours his unquestioned service to his country have earned for them.

We have heard in the house in the last few days, Mr. Speaker, forecasts of gloom from the opposition benches. I should like to tell hon. members that they are not accurate as a description of the new government's support of my constituents. Since the 10th of June the Minister of Finance (Mr. Fleming) has undertaken to pay to the city of Halifax an annual sum equivalent to the business, or higher tax rate in the city on the vast bulk of federal government properties if the city will seek and secure remedial legislation to amend a technical phrase in the present city charter which requires the federal government to pay the residential, or lower, tax rate. This will mean an increase of $600,000 in the federal payment for the first year of its application, a payment which will rise in later years if the city tax rate rises.

Within 60 days of the election federal government agencies, through the Minister of Transport (Mr. Hees), announced contributions of $400,000, the largest single share, toward the removal of the notorious Fairview underpass which had been promised for more than 20 years. The Minister of Public Works (Mr. Green) has publicly promised sympathetic consideration for any proposal by the city of Halifax and the province looking forward to the large-scale urban redevelopment recommended by the Stephenson report, most of the cost of which was in turn borne by the federal government.

The Minister of Fisheries (Mr. MacLean) has visited my constituency and has talked with us about the very real problems of the fishing community. The Minister of National Defence (Mr. Pearkes) has toured defence installations in my constituency as recently as early this month and is considering a joint proposal with the town of Dartmouth and the county of Halifax which will provide improved water services, not only to H.M.C.S. *Shearwater* but also for residential and commercial development on the Dartmouth side of Halifax harbour. Canada's first wholly-owned aircraft carrier, H.M.C.S. *Bonaventure,* has arrived and is now based at Halifax, and a new jetty for her use will shortly be available full time at H.M.C.S. *Shearwater.*

A large-scale campaign of public works has been undertaken since June or is being recommended for the next 12 months at Indian Harbour, Prospect, Sambro, Portugese Cove, Herring Cove, McNab's Island, Three Fathom Harbour, Owl's Head, Murphy's Cove, Cooper Point, Carter Point, Petpeswick and Ecum Secum. A mammoth new international airport at Kelly Lake, just outside the Halifax-Dartmouth metropolitan area, which will be able to handle the largest airliners is well under way and is being pushed. A new $2-¾ million federal government building to accommodate most of the previously scattered federal government offices in Halifax will open next year in my city and, Mr. Speaker, it will be heated by Nova Scotia coal.

New postal services are being established or are in process at Spryfield, Rockingham, Birch Cove and Eastern Passage. Last Saturday we were able to announce that tenders would shortly be called for a post office in Bedford. The supplementary estimates introduced in the house last week include an additional item of $900,000 for pier A-1. We are asking for action on several other projects, including greatly improved postal facilities in Dartmouth and additional harbour projects in Halifax. We will seek assurance of a fair and just share of Canadian shipbuilding and repair contracts.

But these projects I have cited are only examples of the government's concern for Halifax and its willingness to listen to the members from Halifax. It has done more in 22 weeks than our predecessors did in 22 years.

What is more important than the recitation of these public works is the attitude of the government. No longer do we come hat in hand as poor relatives. We are given fair play, no more and no less.

All these projects, Mr. Speaker, are in addition to the pay increases granted the armed services, federal civil servants and the R.C.M.P., increases which, in truth, were in part

considered by the previous government and which are of great meaningfulness in my constituency. They are additional to the increased old age security, old age assistance, blind persons and disabled persons payments promised in the speech from the throne. They are additional to the increases in war veterans allowances.

The forecasts of gloom are a part of and about as accurate as a prognostication told in Nova Scotia about a representative of a Liberal candidate in one of the constituencies on Cape Breton Island. This gentleman went canvassing one day prior to the last election on the great man's behalf. In a field he spied a farmer spading his garden, so he stopped his car, reached into the glove compartment, took out his little black book and found the name "Angus MacDonald". I hasten to say that this is neither the hon. member for Antigonish-Guysborough (Mr. MacDonald), the hon. member for Vancouver-Kingsway (Mr. Macdonald) nor the late premier of Nova Scotia.

So he climbed over the fence and went up the field to the farmer. "MacDonald", he said, "I am canvassing for the Liberal candidate. If you could see your way clear to support him on the 10th of June he would appreciate it". "My friend", said MacDonald, "I knew his father. A bigger blackguard never watched the mist come up on Big Bras d'Or. I knew his brother. He was the laziest man from Dingwall to Judique and that sister of his, she talked more and said less than anyone I ever heard on the north side."

Mr. Studer: Like a Conservative.

Mr. Morris: "I would not vote for your man," he said, "if he was the only candidate running on any ticket in the country." Mr. Speaker, the Liberal canvasser went back down the field, over the fence to his car and took up his little black book and opposite the name of MacDonald he wrote the one word "Doubtful".

No one in my constituency, Mr. Speaker, and I venture the judgment that no one in Canada expects miracles from a new government. Decent opinion in Nova Scotia is more than prepared to extend to the Prime Minister and members of his cabinet every loyal and patient understanding. Nova Scotians live today with a new hope. We hope for a greater justice from a new government. We trust that its measures for the Atlantic provinces' betterment will recommend themselves to the support of all members on all sides of the house.

On his way from Halifax to Ottawa for the opening of the first session of the first parliament of Canada Joseph Howe spoke words of his colleagues from Nova Scotia which are as appropriate for this day as they were when uttered by the great tribune 90 years ago. He said:

> When myself and my friends from the lower province were leaving, we did not know how we would be received here; but I am glad to say that we have been shown nothing but kindness and attention from all classes and creeds since we came to the city, and I can only say that if at any future time it is in my power, I shall be glad to participate in your enjoyments and to be of any assistance that I can . . . whatever opinions I hold will be honestly and openly expressed. I only ask that they be weighed fairly, and that I may be judged without prejudice.

Mr. Speaker, when the roll is called I shall vote against the amendment to the amendment moved by the Social Credit group and I shall vote against the amendment moved by the C.C.F. I shall vote for the gracious address in reply to the speech from the throne, moved and seconded so eloquently by my colleagues, the hon. member for Calgary South (Mr. Smith) and the hon. member for Bonaventure (Mr. Arsenault).

Mr. Louis Deniset (St. Boniface): Mr. Speaker, I am a firm believer in traditions. One of them is that when a novice makes his maiden speech in this house he feels very much impressed; one might say that he feels as if squadrons of butterflies were reenacting the battle of Britain in his stomach. I am a follower of this tradition and believe me I feel the fluttering of each and every butterfly. However, I feel very much fortified by the realization of the fact that I do not speak for myself but for the thousands of Canadians who have sent me here. The Canadians of the constituency of St. Boniface have given me a mandate. It is my duty to act and speak on their behalf, and this I propose to do. I might add further that the results of the election were such that I acquired a further responsibility, that of representing the Liberals of the province of Manitoba in this house. There are many of them, young and experienced, women as well as men, farmers, craftsmen and labourers. They come from all walks of life and represent the very cream of the province. As a bit of further information regarding the present Liberal representation from Manitoba, it might be added that in the caucus for this province there is no discussion and all decisions are carried unanimously.

At this point I think it would be in order for me to congratulate Mr. Speaker and yourself on your appointments to your high offices. I wish also to congratulate the mover (Mr. Smith, Calgary South) and seconder (Mr. Arsenault) of the address in reply to the speech from the throne. I trust that by now the butterflies have left them.

(Translation):

Mr. Speaker, there are others and very different traditions that are extremely important and affect us closely. I cannot ignore what everyone keeps repeating: the tremendous joy, the very natural pride and the sincere emotion stirred in our hearts by the visit of our Queen. We were captivated by her charm and loveliness, and perhaps that which touched us most was the statement that she was indeed Queen of Canada. It is true that she is also the Queen of other countries to which we are bound by tradition or otherwise. But it was verily our Queen to whom we were giving homage and acclaim, we were bowing to the symbol of authority in Canada. In fact, our homage went beyond her person to take her along with us to the altar of our own land, Canada. For our own country alone has a right to our full and ultimate loyalty. Our Queen not only recognized this fact, but guided us in that direction.

Other thoughts came to my mind during those memorable days. I asked myself what my country was, in actual fact, and I came to a conclusion which, in changing but a few words, would perhaps apply to all Canadians.

For me, it is Langevin street, the Red river and the Seine and the Assiniboine, La Salle and Rat rivers. It is the vast plains with their rippling expanse of golden wheat, where snow squalls start before winter sets in. It is the Rockies and the Laurentians, the gardens of Victoria and the tiny harbours of Newfoundland.

This is no attempt to be lyrical, Mr. Speaker; I only wish, above all, to stress this basic fact that Canada begins at home, for each and every one of us, and then extends to our relatives and friends, then to each of our communities, to our parishes and municipalities, to our provinces, the ten of them, and to the great North. Do you know, Mr. Speaker, what is sometimes heard out west? "What's the use? What chance have we got? Two-thirds of the population live down east. They do not care two hoots for us." But we do know that, deep down, the eastern people are quite fond of westerners. Nevertheless we have been faced with examples of ignorance for things western which, to say the least, have been most disconcerting. For instance, you are speaking with an easterner and he says: "So, you are from Winnipeg! When you get back you might say hello to a friend of mine". So you inquire politely what street he lives on and the answer comes: "Well, I cannot remember, but I do know he lives in Calgary."

The other day a lady from down east somewhere politely inquired if it was true that we had horses and cattle at the corner of Portage and Main. There is without a doubt greater ignorance of the west by eastern people than of the east by westerners. This is not good for Canadian unity and the harmonious understanding which should always be present when any decisions of a national nature are taken.

Mr. Speaker to return to what I was saying a moment ago, Canada begins in the home. If there is anything on which we can all be agreed here, it is that the greatest sacrifice a politician can make is to sacrifice, to some extent, his home life. Our duties and responsibilities are such, though, that we are far too often called away. It could be said of each and every one of us that the orbit of Canada is not its capital, but that our homes are the orbits of this country. Recognition of this fact should make us realize that all those homes, whether they be in the slums or in apartment homes, in the country or in modern cities: Vancouver, St. Boniface, Toronto or Saint John, are all equally important. All our decisions should have regard for this great truth. The family home is the basic unit of society and we must therefore, with the aid of Divine Providence, give it every opportunity for full development under this Canadian sun of ours, the sun of our country, Canada.

(Text):

Yes, Mr. Speaker, this is our Canada first. I said at the outset that I was very much impressed. I tried to describe my emotions. This leads me to understand the emotions of other members of this house, including not only the newcomers to parliament generally but the newcomers on the government front benches. They have given evident signs of anxiety at the magnitude of the job at hand. They surely realize the necessity for them to perform. To use the same words as those addressed to me by one of their members during the last election campaign, may I say: "I cannot wish you the best of luck but I wish you the very best". You will need all of it, even for what might be a comparatively short term of office.

Some of these gentlemen, Mr. Speaker, I know very well. I well remember, for instance, the then G.O.C. of the first Canadian division in England. I am sorry to say that he is not here in the house tonight. Undoubtedly he is busy with other duties. I think he would have liked to hear what I have to say. As I say, I remember him as

the G.O.C. of the first Canadian division in England under which I served as a platoon commander with the royal twenty-second regiment at the beginning of world war II. His enthusiasm was infectious. He would show officers personally how to conduct a reconnaissance. On one occasion, on one of the hectic days of some manoeuvres where the Van Doos happened to steal the show, I remember his exclaiming with pride, "My French Canadian regiment in Hitchen". He was no doubt expressing his admiration for the many Canadians of French origin who have served their country in the armed forces. I have no reason to believe that he still does not have the same respect for their admirable fighting qualities. One might be surprised that I speak in this fashion but I believe in giving unto Caesar that which belongs to Caesar. I also want to let the hon. gentleman know that when I rise again and at that time quite possibly disagree with him, I still have respect for one of Canada's finest soldiers.

I was wondering, Mr. Speaker, if at this stage, it being almost ten o'clock, I might move the adjournment of the debate.

On motion of Mr. Deniset the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask the government leader what is the business of the house for tomorrow. I also wonder whether he would not be good enough to outline in his remarks whether it is the intention during the course of the week to interrupt the debate on the address in order to discuss other matters of a government nature.

Mr. Green: Mr. Speaker, tomorrow we plan to continue with this debate and also on Wednesday. However, on Thursday I think we shall interrupt the throne speech debate in order to deal with the resolution preceding a bill providing for cash advances on grain.

On motion of Mr. Green the house adjourned at 9.57 p.m.

HOUSE OF COMMONS

Tuesday, October 22, 1957

The house met at eleven o'clock.

DOMINION-PROVINCIAL CONFERENCE

REQUEST FOR TABLING OF CORRESPONDENCE WITH PROVINCIAL GOVERNMENTS

On the orders of the day:

Right Hon. L. S. St. Laurent (Leader of the Opposition): Mr. Speaker, I would like to ask the Prime Minister is it his intention to lay on the table of the house the correspondence, if there was correspondence, with the provincial governments about the forthcoming federal-provincial conference that the Prime Minister mentioned some time ago?

Right Hon. J. G. Diefenbaker (Prime Minister): Yes, Mr. Speaker, at the earliest moment.

TRADE

REPORTED TRADE MISSION TO COMMUNIST CHINA

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, may I ask a question of the Prime Minister. I notice that in the newspapers we are told a trade mission is proceeding to China. Could the Prime Minister give the house some information regarding this mission, if it is a mission, so that we may know something about it officially?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, perhaps I could answer that question for the hon. member. There is no trade mission as such proceeding to China in the sense that a large group of people are going on a mission; nothing of that sort is taking place. The situation is simply this. For a number of years we have had a trade commissioner living in Hong Kong and looking after Canada's trade interests in that area. During the course of the summer his area was extended to include adjacent territory, and some time ago our department suggested to him that he might look into the possibilities of trade on the mainland. It was left to him to use his own initiative as to how he would go about that enterprise.

What is happening at the moment is that his proposal is to leave some time in early November for a period of perhaps two weeks. He may visit four cities in China: Peking, Tientsin, Canton and Shanghai. What he will discover in the course of his visits I do not know. If there is a possibility of disposing of some of our good Canadian wheat in China, naturally he will report to us with regard to that. Actually, he is doing simply what the trade commissioner service throughout the world attempts to do, and that is initiate discussions with people who are interested in trade, discover possibilities for trade on the part of Canada, and inform Canadian businessmen as well as the Canadian government as to what the prospects are. It is a routine mission. It is not really a trade mission; it is just routine business, and it is just the initiative on the part of a trade commissioner dealing with the area that comes under his jurisdiction.

Mr. Coldwell: May I ask a supplementary question. I understand he is going as an official of the department. May I ask who is making arrangements before he goes so that he may meet the right people? Is that being done through any other diplomatic agencies, through the United Kingdom or through any other agency of a government having diplomatic relations with China? Who are the officials who are making the arrangements for him to receive the right treatment in China?

Mr. Churchill: I have not the information at hand to answer that particular question, but I will obtain it.

Mr. Benidickson: The press report says that an external affairs man is to accompany him.

Mr. A. M. Nicholson (Mackenzie): May I ask the Prime Minister whether it would not facilitate the sale of wheat if we recognized the government of the mainland in connection with this visit?

Right Hon. J. G. Diefenbaker (Prime Minister): I have seen no facilitation or acceleration of the trade in so far as Britain is concerned in communist China, as a result of her recognition of the Chinese government prior to hostilities in Korea.

Hon. L. B. Pearson (Algoma East): Mr. Speaker, I have a supplementary question. May I ask what credentials the trade commissioner will be carrying on this mission, and to whom they will be addressed?

Mr. Churchill: Well, Mr. Speaker, this is simply a plan that has been put forward, and it has not been finalized.

Some hon. Members: Oh, oh.

Mr. Churchill: Hon. members across the house may laugh, but this has simply come to notice at this particular time without the final plans being made. It may be that I will have more information for the house in a few days with regard to this particular suggestion. So far as the details are concerned, I have not them available at the moment.

Hon. Paul Martin (Essex East): A supplementary question. Can the minister tell us whether or not the proposed visit has or has not the approval of the Minister of Trade and Commerce?

Mr. Churchill: I would say this, Mr. Speaker. Our trade commissioners stationed throughout the world are empowered on their own initiative to investigate ways and means of increasing trade with any country.

[*Later:*]

Mr. T. S. Barnett (Comox-Alberni): I should like to direct a question to the Minister of Trade and Commerce supplementary to the questions that were asked earlier by the hon. member for Rosetown-Biggar and others.

Mr. Speaker: Order. May I remind the house that supplementary questions are to be used sparingly to elucidate answers, and are not to be used for the purpose of engaging in debate. I have permitted five supplementary questions to the original question directed to the Minister of Trade and Commerce. I feel that should satisfy the house, and that we should not go forward with further supplementary questions on that point.

GATT—INQUIRY AS TO CURRENT MEETING AT GENEVA

On the orders of the day:

Hon. James Sinclair (Coast-Capilano): Mr. Speaker, I should like to direct to the Prime Minister another question on trade, based on the Department of External Affairs release announcing the start of the meetings of GATT at Geneva this week. What position has the Canadian delegation been instructed to take when the treaty for the establishment of the European free trade community and the possible adherence of Britain to this community are before the meetings of GATT?

Hon. Donald M. Fleming (Minister of Finance): Perhaps I could answer that question for my hon. friend. So far as the GATT negotiations in general are concerned, a Canadian delegation will be there and it will have instructions to enter into negotiations for the renewal of GATT with certain modifications. As to the effect on those negotiations of the proposed plan for a European free trade area, it will be necessary for Canada to know more as to how far the countries in western Europe and the United Kingdom are going to go in this respect before it can attempt to give detailed instructions to its delegates in that regard.

From the extent to which this subject has been under current discussion for some time on the part of the countries of western Europe and the United Kingdom, I should think some clearer statement in that regard as to how far these countries intend to go in that direction, and how soon, may be forthcoming before the present GATT negotiations have run their course this autumn.

INQUIRY AS TO MINISTER JOINING UNOFFICIAL DELEGATION TO UNITED KINGDOM

On the orders of the day:

Hon. Paul Martin (Essex East): Before the cabinet leaves as a whole I should like to ask the Minister of Trade and Commerce whether it is his intention shortly to join the unofficial trade delegation to the United Kingdom?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, an announcement with regard to the mission will be made in due course.

RESEARCH AND DEVELOPMENT

PROPOSED EXCHANGE OF SCIENTIFIC INFORMATION

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I have a question not related to the statement of the Minister of Trade and Commerce. I should like to direct the question to the Prime Minister. Can he tell us whether, as a result of his discussion with President Eisenhower, steps are being taken to exchange scientific information, and whether it is contemplated to undertake any joint scientific projects?

Right Hon. J. G. Diefenbaker (Prime Minister): I want to thank my hon. friend for having given me notice of this question. I will say this. This week end, when the Prime Minister of the United Kingdom visits Ottawa, one of the matters for consideration will no doubt be the exchange of scientific information. I am one of those who believe there is a necessity, having regard to the scientific advances being made today,

for the free world to unite to the greatest degree possible in a spirit of co-operation to pool scientific information so that the free world will maintain its superiority in that direction. After I have the opportunity of discussing this matter with the Prime Minister of the United Kingdom I will say more. At this time I can say no less.

GRAIN

LICENSING OF OFF-SITE STORAGE

On the orders of the day:

Mr. Victor Quelch (Acadia): I wish to address a question to the Minister of Trade and Commerce. Is the Minister of Trade and Commerce giving consideration to the licensing of off-site storage for grain at country points in order to ease congestion?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I should like to thank the hon. member for giving me notice of his question. I have a reply here which deals with the situation as of last year and the present position. The licensing of off-site grain storage was the subject of discussions between the board of grain commissioners for Canada and the Canadian wheat board in June, 1956. At that time the two boards issued a press release and an instruction to handling companies which read as follows:

> The licensing of off-site grain storage is a matter of concern to the board of grain commissioners for Canada and the Canadian wheat board. The board of grain commissioners are interested from the standpoint of actual licensing and the adequate warehousing of grain. The Canadian wheat board are interested from the standpoint of availability of grain for prompt shipment. Both boards have carefully reviewed their position in respect to the licensing of off-site storage facilities.
>
> As a result of discussions between the two boards it has been decided that no further applications for off-site storage will be considered. This decision has been reached after careful consideration of the storage position, including the extent of off-site storage presently licensed and the immobility of grain stored in many types of off-site facilities.

As indicated by the statement at that time, the two boards were concerned about the volume of grain which was then being warehoused in off-site facilities. Should deterioration set in, there was no way in which this grain could be turned and there could never be assurance that grain in off-site facilities would be moved forward promptly for treatment in terminal elevators. Another factor was that off-site storage facilities were confined to certain delivery points, giving advantages that could not be extended to producers generally.

I have inquired from both the board of grain commissioners and the Canadian wheat board as to whether, in their opinion, any change should be made in the policy which was announced on June 25, 1956. Both boards are of the opinion that the present restriction on licensing of off-site storage should be continued. In their opinion off-site storage is not a solution to the congestion problem, and could result in serious problems in respect of grain stored in these immobile positions.

Mr. H. R. Argue (Assiniboia): I wonder if I might ask a supplementary question. Would the minister make inquiries himself to see whether in fact grain in off-site storage is not just as mobile within a 24-hour period as grain in any elevator annex? Would he further make his own observations as to the quality of the grain in off-site storage, which I believe to be generally superior to the quality of the grain in present annexes, many of which are not up to standard?

Mr. Churchill: I shall be glad to look into the question the hon. member has raised.

[*Later:*]

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce arising out of his answer to the question asked by the hon. member for Acadia relative to off-site storage. Is it not a fact that the government is now approving and authorizing elevator companies to acquire off-site storage?

Mr. Churchill: Mr. Speaker, I will have to take notice of that question.

NATIONAL DEFENCE

R.C.A.F.—REPORTED EQUIPMENT WITH CF-105 PLANES

On the orders of the day:

Hon. James Sinclair (Coast-Capilano): I should like to direct a question to the Minister of National Defence based on an article in last night's *Citizen* headed "Tory Corrects Quotes on Auxiliary Airmen". Is it true, as implied at this most recent press conference by the hon. member for York West, that the government is intending to proceed to equip the R.C.A.F. with the supersonic CF-105?

Hon. G. R. Pearkes (Minister of National Defence): No, it is not correct.

Mr. Sinclair: I would suggest that the hon. member be better informed before he gives more press conferences about that department.

Mr. Pearkes: No member gives press conferences about my department except myself.

Mr. Sinclair: That is a commendable statement, and the hon. member should keep it in mind.

Inquiries of the Ministry

U.S.-CANADA—INTEGRATED OPERATIONAL CONTROL OF AIR DEFENCE FORCES

On the orders of the day:

Hon. L. B. Pearson (Algoma East): I would like to address a question to the Minister of National Defence. Will the minister inform the house whether the system of integrated operational control of the air defence forces of Canada and the United States through a joint command, as agreed to on August 1, has yet been set up and, if so, will he table the order in council and other relative documents?

Hon. G. R. Pearkes (Minister of National Defence): Air Marshal Slemon is now at the headquarters at Colorado Springs, and I will be pleased to table the order in council.

CANADIAN NATIONAL RAILWAYS

LEVIS DIVISION—REPORTED DECREASE OF SECTIONS AND CONSEQUENT LAY-OFFS

On the orders of the day:

Hon. Jean Lesage (Montmagny-L'Islet): I should like to direct a question to the Minister of Transport. Is the minister aware of the decision of Canadian National Railways to decrease the number of sections in the Levis division, which is on the south shore of the St. Lawrence and covers my constituency? I do not have to add that this means the laying off of a number of sectionmen?

Hon. George H. Hees (Minister of Transport): I think it is obvious to members of the house that the Minister of Transport cannot be advised at all times of any decrease or increase of traffic on the Canadian National or any other railway.

Mr. Lesage: May I ask a supplementary question. Would the minister be kind enough to inquire about it, because this decision is effective on November 1 and affects a great number of heads of families?

Mr. Hees: I shall be glad to look into that. If that had been the original question it would have been acceded to at once.

LIVESTOCK

HOG CHOLERA—IMPORTS OF PORK FROM U.S.

On the orders of the day:

Hon. Douglas S. Harkness (Minister of Agriculture): Mr. Speaker, on Friday last the hon. member for Kent (Ont.) asked several questions, as follows:

> Has there been any importation of pork into Canada from the United States and, if so, in what form? Does the United States hog producer use live serum for the control of cholera in that country?

The answer is importations of pork into Canada from the United States in the first six months of 1957 were as follows: Fresh pork, none; bacon, ham and other pork in prepared form, 160,548 pounds. All importations were cooked pork, in accordance with the provisions of a ministerial order prohibiting the importation of swine and uncooked pork into Canada.

In connection with the serum question, a live virus vaccine is used for the control of hog cholera in some states. I had perhaps better say in connection with that matter that anti-hog cholera serum, used widely in the United States in inoculating hogs against cholera, does not contain any virus, living or dead. Its effectiveness lies in its content of antibodies which protect against the disease.

Vaccines, also used in the control of hog cholera in the United States, are a totally different product from blood serums. Hog cholera vaccines contain the hog cholera virus itself and can be made with the virus either in live or attenuated form. I think that is what the hon. member was referring to rather than a serum.

[*Later:*]

FREE DISTRIBUTION OF TROLENE FOR CONTROL OF WARBLES

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. I might say I gave him notice of the question at the opening of the house today. Owing to the interest of the livestock industry in this matter perhaps he will be disposed to take it as notice. Has the minister been informed of the systemic treatment by trolene for the control of warbles in cattle? If so, can he inform the house whether the government has any plan to undertake the free distribution of this treatment, as has been done with certain serums, in order to wipe out most of the annual loss of $14 million now estimated to be caused by warble fly infestation?

Hon. Douglas S. Harkness (Minister of Agriculture): As suggested by the hon. member I will take this question as notice and give an answer at the earliest possible time.

AGRICULTURE

BUTTER—GOVERNMENT PRICE ON SALES FROM STORAGE

On the orders of the day:

Hon. Douglas S. Harkness (Minister of Agriculture): Mr. Speaker, also on Friday the hon. member for Springfield asked this question:

> At what price is the government selling butter held in government storage to the trade at present?

I was sorry I was not able to hear his question at the time. The price is 63 cents a pound. There have been no sales, as a matter of fact, by the agricultural prices support board since the price was put at 63 cents, which is a price designed to cover our buying price of 58 cents a pound plus the costs of storage and handling.

[*Later:*]

Mr. Jacob Schulz (Springfield): I would like to ask a supplementary question of the Minister of Agriculture in view of the answer he has just given. If the government is supplying this butter at 63 cents a pound to the trade, how then is it possible that the wholesale price of butter is 62 cents?

Mr. Harkness: Mr. Speaker, I stated in my previous reply that there has been no demand as far as the wholesale trade is concerned for this butter, and we have not been selling any of the butter held by the agricultural prices support board since the price was placed at 63 cents.

Mr. Schulz: May I ask another supplementary question, Mr. Speaker. Why did the government raise the price of butter in the first place?

Mr. Harkness: Mr. Speaker, it was not a matter of raising the price of butter. We placed the selling price of the butter held by the agricultural prices support board, as I explained a few moments ago, at 63 cents in order that there would be no cost to the taxpayer in handling this butter.

[*Later:*]

Right Hon. J. G. Gardiner (Melville): Mr. Speaker, I am sorry I was not in the house when the question was asked with regard to butter. I heard only part of the answer and therefore I may have misunderstood; but did I understand from the last answer given by the Minister of Agriculture that the prices board has directed that the wholesale price of butter be raised to 63 cents?

Mr. Harkness: No, Mr. Speaker. What the prices board have done is set their selling price for butter at 63 cents.

Mr. Gardiner: That means the same thing, then. They have raised it from 58 cents to 63 cents.

Mr. Harkness: Yes; as I explained before this was done so there would be no expense to the taxpayer involved in handling this butter.

Mr. Gardiner: But is it not true that this will mean that the consumer will pay the difference?

Mr. Harkness: Mr. Speaker, as a matter of fact the wholesale price of butter has not yet reached 63 cents, and as I said previously we have not sold any butter as a result.

SHIPPING

LAKEHEAD—INQUIRY AS TO DEVELOPMENT OF OCEAN PORT FACILITIES

On the orders of the day:

Mr. C. E. Johnston (Bow River): I should like to direct to the Minister of Transport a question of which I have already given him notice. Since the United States has announced plans to develop Duluth as the western terminal for the St. Lawrence seaway, will the federal government take immediate steps to develop a suitable harbour and harbour facilities at the lakehead to act as an ocean port for western Canada when the St. Lawrence seaway is completed?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I wish to thank the hon. member for his courtesy in giving me notice of the question he has put. I think I can best answer it by repeating the answer I gave to the hon. member for Port Arthur (Mr. Fisher) when I replied to his question on October 16 last. At that time I said:

> I have discussed this matter with my colleague the Minister of Public Works. As a result of these discussions, officials, not minor officials but senior officials, of both departments will go to the lakehead next Monday—

That was yesterday.

> —to examine the harbour facilities to ascertain if they are adequate, in their opinion, to handle such extra traffic as could reasonably be expected to arise when the St. Lawrence seaway is completed.
>
> A survey will be carried out from an engineering point of view. Following that survey, a thorough study from the economic point of view will be carried out by the economics section of my department in order to ascertain just what additional traffic might be expected to pass through to the lakehead as a result of the completion of the St. Lawrence seaway.

COASTAL STEAMSHIPS—REVIEW OF SUBVENTION POLICY

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I ask the Minister of Transport a question, notice of which I have sent him. Is it the intention of the government or of the Department of Transport to review the policy with reference to subventions for coastal steamships across Canada?

Inquiries of the Ministry

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I wish to thank the hon. member for Laurier for his courtesy in giving me notice of his intention to ask this question; and as he as a former minister of this department well knows, these steamship subventions have always been subject to annual review and this government intends to continue that practice.

EXTERNAL AFFAIRS

COLOMBO PLAN—STATEMENT ON CONTRIBUTION AND PROJECTS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, in connection with a question asked by the hon. member for Essex East (Mr. Martin) relative to the prospective Canadian contribution to the Colombo plan and also questions that were asked by some other hon. members, I wish to advise that, subject to the approval of parliament, Canada will contribute $35 million to the Colombo plan in 1958.

For some years now the basic Canadian contribution to the Colombo plan has stood at $26.4 million. In order to meet certain additional expenditures in connection with the Warsak project in Pakistan and the Canada-India reactor, this amount was supplemented by a further $8 million both this year and last. We have now decided to do away with this idea of a basic contribution to which additional amounts are added. We shall therefore seek the authority of parliament to provide that the total vote for Canada's regular Colombo plan program be, as I stated a moment ago, $35 million for this year.

In connection with the expenditures being made thereunder we have agreed, first, to provide $1 million worth of flour to the government of Ceylon. The proceeds of the sale of this flour will be used by the government of Ceylon for various development projects.

Second, the government of Pakistan has drawn our attention to the very serious floods that occurred recently in west Pakistan and to the resulting need for food grains. We have therefore offered $2 million worth of wheat to the government of Pakistan out of Colombo plan funds and the government of Pakistan has indicated that this would be very welcome. This wheat will be shipped very shortly.

In India we have proposed to the government of that country that the balance of counterpart funds held by the Indian government which have been created by the sale of Canadian commodities supplied under the Colombo plan will be used to meet the further rupee costs of the Canada-India reactor. These counterpart funds amount to the equivalent of $2,900,000.

In connection with other proposals concerning the Colombo plan program they will be announced in due course after they have been discussed with the governments concerned. Might I add that later today the leader of the Canadian delegation to the Colombo plan conference at Saigon, Hon. W. J. Browne, will be announcing in that country what I have stated here.

Mr. Wesley Stuart (Charlotte): Mr. Speaker, may I ask a supplementary question with reference to the report which was read by the Prime Minister. Will the increase the Prime Minister announced today in the Colombo plan payments be endorsed by the hon. member for Saint John-Albert?

Mr. Bell (Saint John-Albert): Thanks for mentioning my name.

[*Later:*]

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I would like to direct a question to the Prime Minister in connection with his statement about Canada's contribution to the Colombo plan. Does the government consider making a contribution to the special United Nations fund for economic development?

Mr. Diefenbaker: Mr. Speaker, as a matter of fact the minister is in New York at this moment, and consideration is being given to that problem at this time.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, may I ask a supplementary question. In view of the Prime Minister's answer to my friend the hon. member for Nanaimo regarding the special United Nations fund for economic development, to the effect that the minister was considering it at the United Nations, may I ask what instructions, if any, the government has given the minister in this regard?

Mr. Diefenbaker: The instructions were to give the best possible consideration to that question.

Mr. Coldwell: May I ask a further supplementary question, Mr. Speaker. Is the Prime Minister not aware that it is usual with delegations at the United Nations to have any proposal of this nature involving the expenditure of money come from the government at Ottawa rather than from the minister who is present at the assembly?

Mr. Diefenbaker: Mr. Speaker, as far as I am concerned no one needs any lecture of that kind from the hon. gentleman.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: There are several matters before the United Nations at this time, and when the matter of decision comes up it will be the decision of the government.

HOUSE OF COMMONS

TRANS-CANADA AIR LINES—PASSES FOR MEMBERS

On the orders of the day:

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, I have a question to address to the Minister of Transport. Now that he is the Minister of Transport when will he implement the proposal he made so often as a private member in this house that all members of parliament who came from a distance of more than 500 miles from Ottawa should be given passes on Trans-Canada Air Lines?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I have been discussing this matter at some length with the president of Trans-Canada Air Lines, and I have recently received a report from him which I am studying. I might say that I am rather startled at the cost to the taxpayers which it appears this would involve. However, I can assure the hon. member and all hon. members that I am just as interested as I ever was as a private member in this matter.

Some hon. Members: What are you going to do about it?

Mr. Byrne: Well, might I ask a supplementary question, then? If he thinks this would be too difficult would he be prepared to extend it to say 1,000 miles?

Mr. Hees: I was just about to say before I was interrupted, Mr. Speaker, that this matter is receiving my very serious consideration and that of the management of Trans-Canada Air Lines. I very much hope that something can be worked out.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, may I direct a supplementary question to the Minister of Transport. In view of the fact members of parliament have passes on the railways does he consider that with the limited facilities of Trans-Canada Air Lines this parliament would be justified in proposing passes on Trans-Canada Air Lines in view of the financial burden involved?

Mr. Hees: Mr. Speaker, that is one of the matters that is receiving very serious consideration at the present time.

REQUEST FOR SHORTENING OF QUESTION PERIOD THIS DAY

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, again I rise as I did yesterday to ask whether or not the thirst for dependable information has not been assuaged. The Canadian and Catholic Confederation of Labour has been waiting since eleven o'clock to meet with the ministers of this cabinet, and with the consent of the house—

Mr. Martin (Essex East): Some ministers will stay here?

Mr. Diefenbaker: I think 50 minutes is a fair length of time.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I ask the leader of the government a question. Is it the intention of the government or of the house leader, when important delegations meet with the government at certain fixed hours, to abridge the length of the question period in the house?

Hon. Howard C. Green (Minister of Public Works): I have not noticed that the time allowed for questions has been abridged very much to date.

SPEECH FROM THE THRONE—APPOINTED DAYS

On the orders of the day:

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, in connection with the throne speech debate may I point out that routine proceedings and orders of the day describe today as the fifth appointed day. Hon. members will recall that on Thursday last less than an hour was devoted to the throne speech debate. For that reason it is not the intention of the government to count that day as one day in the debate. Therefore I am asking that tomorrow's order paper show tomorrow as the fifth appointed day.

VETERANS AFFAIRS

INQUIRY AS TO INTRODUCTION OF AMENDING LEGISLATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs. In view of the fact that his colleague the Minister of National Health and Welfare has now given notice of resolutions with regard to the matters in the speech from the throne that come under his purview, will the Minister of Veterans Affairs give notice of his resolutions regarding amendments to the War Veterans Allowance Act and the Pension Act?

Inquiries of the Ministry

Hon. A. J. Brooks (Minister of Veterans Affairs): We will take that under consideration, Mr. Speaker, and give the hon. member an answer later.

ADMINISTRATION OF JUSTICE

CITIZENSHIP AND IMMIGRATION—MONTREAL COURT DECISION

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder if I might direct a question to the Minister of Justice. In view of the very serious charges which his other department laid in the courts and in view of the report of the judgment given in the court of sessions in Montreal yesterday, is the minister giving consideration to appealing and, if so, would he advise the house of the results of that consideration?

Hon. E. D. Fulton (Minister of Justice): Yes, Mr. Speaker, we are expecting a report from counsel today and as soon as that is received consideration will be given to the question of appeal. As requested, we will announce the decision as soon as it is made.

TRANSPORT

NEW BRUNSWICK—CONSTRUCTION OF SPUR LINE

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, may I direct a question to the Minister of Transport. Can the minister advise the house if it is his intention to bring before the house during the present session a bill to authorize the construction of a spur line from the Brunswick Mining and Smelting Corporation deposits to the proposed location of the new harbour at Caron point near Bathurst?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, there are no plans for such a spur line at the present time.

CRIMINAL LAW

CAPITAL AND CORPORAL PUNISHMENT—ACTION ON REPORT OF JOINT COMMITTEE

On the orders of the day:

Mr. D. F. Brown (Essex West): Mr. Speaker, may I direct a question to the Minister of Justice. I regret I have not had an opportunity of giving him notice. What action is being taken by the government to implement the report of the joint committee on capital and corporal punishment and lotteries made to this house last session?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, as I said in reply to a question raised by an hon. gentleman opposite earlier, the previous administration did not make available an opportunity for that report to be discussed in the house. Before we can make any definite decision on it we are inclined to consider that parliament should be given an opportunity to discuss it, and that matter is under consideration at the present time.

PUBLIC BUILDINGS

KITIMAT, B.C.—CONSTRUCTION OF FEDERAL BUILDING

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I would like to direct a question to the Minister of Public Works, of which I have given him notice, in relation to what plans there are and what steps are being taken with respect to providing a much needed federal government building in Kitimat?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, the hon. member was kind enough to give me notice of this question. The answer is that the department is at present studying the requirements of the various departments in order to establish the size of the site required. A private architect has been retained to prepare the plans and specifications, but no start has been made as yet.

Mr. Howard: May I ask a supplementary question, Mr. Speaker. Have any discussions been held with the Aluminum Company of Canada about acquiring property?

Mr. Green: Mr. Speaker, I will have to make inquiries about that question.

PUBLIC SERVICE

REQUEST FOR AMENDMENT OF INDUSTRIAL RELATIONS AND DISPUTES INVESTIGATION ACT

On the orders of the day:

Mr. Claude Ellis (Regina City): Mr. Speaker, I would like to direct a question to the Minister of Labour, and I believe this concerns the Secretary of State as well. Does the government at this session intend to amend the Industrial Relations and Disputes Investigation Act by removing the objectionable section 55 of that act, which presently bars the way to collective bargaining for federal civil servants?

Some hon. Members: Order.

Hon. Ellen L. Fairclough (Secretary of State): Mr. Speaker, I am not sure whether the hon. member intended to direct his question to the Secretary of State or to the Minister of Labour. Was the question directed to the Secretary of State?

Mr. Ellis: Well, I believe both are very much interested in this matter, and I am not too concerned as to who prefers to answer. Nevertheless I want an answer from the government.

Mrs. Fairclough: Mr. Speaker, as the hon. member is probably aware the matter is under consideration, and representations have been heard from several of the associations.

Mr. Ellis: Mr. Speaker, my desire is to find out whether the government intends to take action on this matter at this present session. I fully realize the matter is under consideration.

Mrs. Fairclough: Mr. Speaker, if and when a decision is taken in this matter the hon. member will find out.

POWER

STATEMENT ON DISPOSITION OF DOWNSTREAM BENEFITS IN INTERNATIONAL WATERWAYS

On the orders of the day:

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, I should like to refer to the supplementary question directed to me on the orders of the day on October 18 by the hon. member for Kootenay East. The hon. member asked whether negotiations have been transferred back to the international joint commission. I have consulted with my colleague the Secretary of State for External Affairs, who is more directly concerned in these matters of diplomacy, and the answer is that the negotiations were never transferred to or from the international joint commission. Concurrent with discussion within the international joint commission under the reference made to the commission in 1944 by both the United States and Canadian governments, diplomatic talks were initiated in 1956. Both forums remain open to the governments as regards the matter within the respective spheres of these forums.

As to the main question asked, there will be a statement on this at a later time.

Hon. Jean Lesage (Montmagny-L'Islet): Mr. Speaker, a supplementary question. May I ask the minister whether since I led a delegation to Washington on May 20 on that subject there has been any correspondence exchanged or any meeting with the United States authorities on that very important matter?

Mr. Hamilton (Qu'Appelle): Mr. Speaker, in reply to the hon. member's supplementary question on this point, there have been negotiations with members of the United States government, but I am not prepared at this time to give any more details than that.

Mr. Lesage: Will the minister inquire in his department and give an answer to my question?

Mr. Hamilton (Qu'Appelle): I will be glad to inquire, but I have already given the answer.

BRIDGES

NUNS' ISLAND—INQUIRY AS TO SITE AND NAME

On the orders of the day:

Mr. Yves Leduc (Verdun): Mr. Speaker, I should like to direct a question to the Minister of Transport. Would the minister describe to this house the specific site of the new bridge which will span St. Paul island, commonly called Nuns' island, facing Verdun? Has a name already been selected for that bridge?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I want to thank the hon. member for giving me notice of his intention to ask this question, but since I received it just as I was coming into the house it was impossible for me to obtain a plan or a detailed description of the exact location of this bridge. However, there has been quite a bit of publicity in the press about its location, and if the hon. member would care to call at the office of the national harbours board they will be very glad to show him the plan giving all of the information that he would like to obtain.

Mr. Chevrier: He should get the information in the house.

Mr. Hees: Second, I would like to advise him that no name has yet been decided upon for the bridge.

Mr. Leduc (Verdun): A supplementary question about the name. Will the minister who has jurisdiction over this bridge agree with my suggestion made in this house last year that such new bridge be named the Louis St. Laurent bridge.

Mr. Hees: Mr. Speaker, this being a democratic government it is always willing to consider any suggestion. However, I think that in the democratic way the people of Canada decided otherwise on June 10.

ALASKA HIGHWAY—DISRUPTION OF COMMUNICATIONS OVER PEACE RIVER

On the orders of the day:

Hon. G. R. Pearkes (Minister of National Defence): Perhaps I might give a further reply to various questions which were asked concerning the bridge over the Peace river which

collapsed recently. I think hon. members will be interested to hear that as a result of the emergency measures taken, traffic has now been restored on the northwest highway. A ferry capable of carrying 50 tons is now operating a short distance upstream from the collapsed bridge at Taylor flats. The offer of the premier of British Columbia to use the Pacific Great Eastern Railway bridge has been accepted. Detours from the highway to this bridge are being constructed. The bridge will have to be planked before it can be made passable for vehicles. It is hoped that these roads will be built and the bridge put into a condition for vehicle traffic within the next three weeks. The use of the Pacific Great Eastern bridge will ensure full resumption of highway traffic, while the ferry meets immediate needs.

I might say that there has been a splendid spirit of co-operation shown by all parties connected with this operation. These include provincial government officials, construction companies and personnel of the Royal Canadian Engineers. Meanwhile, alternative routes are being utilized via the towns of Peace River and Dunvegan.

SOCIAL SECURITY

REQUEST FOR EFFECTIVE DATE OF AMENDMENTS TO ACTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of the fact that in the resolutions of which he has given notice calling for amendments to the Old Age Security Act and related statutes he has been good enough to give us all the other details, can he now tell us what is to be the effective date?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, the effective date will appear in the legislation when the bill appears before the house.

Mr. Martin (Essex East): There will be no gap?

Mr. Knowles (Winnipeg North Centre): I should like to address a supplementary question to the house leader. Can he say whether consideration is being given to arranging for the house to proceed with this social security legislation at an early date?

Mr. Green: Yes, Mr. Speaker. The government hopes to be able to go ahead with this measure at the earliest possible date.

[Mr. Pearkes.]

LABOUR CONDITIONS

R.C.A.F. DEPOT, MONCTON—STATEMENT ON REQUEST FOR INCREASES IN PAY

On the orders of the day:

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, on Friday last the hon. member for Westmorland asked a question of the Minister of Public Works regarding the rates of pay of labourers and mobile equipment operators and mechanics at No. 5 depot, R.C.A.F. station, Moncton. Since these personnel are employed by the Department of National Defence perhaps I might answer the question.

These employees, in accordance with long-standing practice, are paid rates of pay prevailing in the area of employment for the class of work performed. The government gives continuous consideration to the adequacy of the wage rates of the personnel who are paid on the basis of prevailing rates of pay.

Wage surveys have recently been conducted in the Moncton area by the Department of Labour, and that department expects very shortly to submit to my department recommendations with respect to wage rates of labourers, operators of large and small tractors, mechanics and other classifications employed at No. 5 supply depot, Moncton. When these recommendations are received they will be submitted promptly by my department to the treasury board.

INCOME TAX

INQUIRY REGARDING DEDUCTIBILITY OF MEDICAL EXPENSES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I direct a question to the Minister of Finance. Is the minister giving consideration to his own often-expressed ideas concerning the deductibility of medical expenses for income tax purposes? Does he intend to make arrangements for all medical expenses to be deductible, including payments for eyeglasses and other such items?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the hon. member knows quite well that whenever a decision is taken on this matter it will have to be announced by the Minister of Finance at a particular time in the session, because this is something that obviously affects the balance of ways and means.

I should like to add this for the benefit of my hon. friend, who keeps bringing up subjects upon which members on this side of the house have spoken, and spoken very earnestly, in times gone by. We have been

in office for four months. We have been preparing for an important session with a heavy volume of legislative work. No government in this country's history has done as much in the space of four months as this government has done.

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear.

Mr. Speaker: I must ask the minister not to trespass on the rules.

Some hon. Members: Hear, hear.

Mr. Speaker: Perhaps the minister did not hear my remarks. I was just suggesting that ministers as well as members who ask questions are bound by the rules, and that it is not desirable to enter into too lengthy explanations or to begin arguments.

Mr. Knowles (Winnipeg North Centre): May I ask a supplementary question. In view of the minister's reference to announcements of this kind being made at certain times in the session, can he say whether, in pursuance of the suggestion that there would be income tax changes, he will be introducing a budget at this session—

Mr. Sinclair: As he promised.

Mr. Knowles (Winnipeg North Centre): —so there will be a budget debate, as required by the rules?

Mr. Fleming: Measures to implement the undertakings of the government and to carry forward the program outlined in the speech from the throne will be introduced in due course, and the sooner we have co-operation from the hon. member and others the sooner we will get that program before the house.

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): In view of the minister's request for co-operation, may I ask if he will co-operate by answering the question whether there is to be a budget introduced at this session and a budget debate as provided by the rules of the house?

Mr. Fleming: Mr. Speaker, whatever is required to give effect, in accordance with the sound practice of parliament, to the program which has been announced in fulfilment of the undertakings made to the Canadian people in the election campaign, and which they endorsed, will most assuredly be done.

Mr. Sinclair: I should like to ask a supplementary question.

Mr. Knowles (Winnipeg North Centre): The rule book is still in the river.

Mr. Sinclair: Does the Minister of Finance not recall his own solemn promise last July that there would be a budget at this session?

Mr. Fleming: I do not know what solemn promise the hon. member for Coast-Capilano is talking about. Promises were made in the election campaign and those promises—

Mr. Sinclair: Since the election.

Mr. Fleming: —will be fulfilled to the letter.

Mr. Sinclair: Since the election.

Mr. Fleming: I suppose the hon. member for Coast-Capilano, with no more than his usual accuracy, is referring to a statement that was referred to by the Leader of the Opposition the other day. I can say that what was indicated then on my part was that whatever was required in the way of resolutions—

Mr. Pickersgill: A budget.

Mr. Fleming: —to give effect to the undertakings of the campaign would be introduced. That is still the position. I am indeed flattered, Mr. Speaker, that the hon. member should be so impatient to hear a speech from me after what he said last Thursday.

Mr. Sinclair: It is not a speech. It is either yes or no as to whether or not there is going to be a budget. No speech; just yes or no.

Mr. Knowles (Winnipeg North Centre): This is one of the most evasive replies we have ever had.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, October 21, consideration of the motion of Mr. A. R. Smith (Calgary South) for an address to Her Majesty the Queen in reply to her speech at the opening of the session, and the amendment thereto of Mr. Coldwell, and the amendment to the amendment of Mr. Low.

Mr. Louis Deniset (St. Boniface): Mr. Speaker, yesterday I made a few remarks in French and in English, and then the inexorable hand of time indicated that it was almost ten o'clock, at which time the house kindly permitted me to resume my speech today.

(Translation):

Yesterday, most of my remarks were in French, but today I propose to speak in English, because I do not want the immediate effect of my words to be lost on the members of the government. That this should be the case is regrettable. However, in this loyal and friendly though earnest joust, no one will blame me for making use of the best weapons at my disposal.

(Text):

Yesterday I was paying my compliments to one of Canada's great soldiers, and I still pay my respects today. However, I did advise the hon. gentleman that when I rose again it might be quite possible that I would disagree with him, and I find that it is my duty to bring to his full knowledge the great concern aroused throughout the country concerning government policy with regard to the militia. We know now that summer camps are not to be held in 1958. Militia personnel will have the opportunity to attend camps with the regular forces, but of course there will be fewer militia people interested because one of the great attractions of the militia is for one to train with his own unit.

Another loss could be from the point of view of teamwork. Teamwork is one of the fundamentals of sound military training. Furthermore the days of training have been reduced from 60 to 40 which means a total of 80 evenings of training. But if one excludes week-end schemes and range firing which should take at least five or six days of training the evenings of training will be reduced to about 68. In addition we now have the block syllabus based on civil defence precis taking 60 periods. This would mean at two periods an evening 30 evenings out of 68.

What does the department propose to do regarding recruit training, basic training, weapon training, qualifications for infantrymen, group 1, specialist training, signals training, driving and maintenance, qualification of N.C.O.'s, professional advancement training for officers, and so on? These are all questions that people across the country in the militia and people interested in the work of the militia are asking.

I must confess that at this stage I am a bit bewildered, and that many Canadians are bewildered. It is of the utmost necessity that the government determine what its policy is and, furthermore, state it clearly for the benefit of all.

I must turn now, Mr. Speaker, to some remarks which were made in this house by the Minister of National Defence. I refer to *Hansard* for Wednesday, October 16, at page 38. The minister was speaking of the militia, and I read what he is reported as having said:

> That may not be as glamorous a role as some of the other ones which have in the past been carried out by the militia, but I am confident that the militia will render the same patriotic service in this role as it has always done, rather than seeking some phony, glamorous role which hardly exists.

[Mr. Deniset.]

It is true that the minister backtracked somewhat in his remarks, as is evident from what I shall read farther down on this page:

> There is no suggestion of the militia having carried out in the past any role that could be considered as phony or glamorous, but there might be roles carried out in the future which would not be practical.

I feel it is possible that at that time the minister made a slip of the tongue, but I should like to have it placed on record that during the last three years I have had the privilege of commanding one of Canada's finest regiments, the Winnipeg Grenadiers. I relinquished that command at the end of September because of my obvious duties here in Ottawa. I will say this, that I do not consider the officers, non-commissioned officers or men under my command have performed any training during the last three years that could be termed either phony or impractical. We did not intend, during the winter training program, to contemplate any training that could be termed either phony or impractical.

Furthermore, I have been associated with the militia during the last eleven years, and I must say that neither the Winnipeg Grenadiers nor the 19 militia groups in greater Winnipeg have contemplated or carried out anything that could be termed either phony or impractical. I believe the same remarks will apply to the militia right across Canada. I feel that the thousands of Canadian people who have sacrificed so many evenings, so many week ends and so many vacations during the summer time, purely as a result of devotion to duty to carry out training with the militia, deserve an explanation, and I trust this explanation will be forthcoming sooner than in mere due course.

Another hon. gentleman on the front benches, Mr. Speaker, is one who has the job of selling wheat. He no doubt remembers the years we spent together at law school, and he can expect that we will resume the discussions that were started in those days. Following the example set by my leader, I do not propose to obstruct the minister's work, but certainly he can expect criticism, which I shall try to make as constructive as possible. The minister's task is so difficult and the difficulties facing Canadian agriculture are so great that I would rather help than engage in petty politics.

The agricultural problem in Canada is not new. It has been with us for many years, and is of such a nature that it is likely to remain with us for a great number of years. It cannot be solved in one day. As a matter of fact there are few solutions to the problem that could be said to be of a permanent nature

because of the economics involved. I have paid close attention to the many speeches that have been made, particularly by western members, concerning agriculture. Yesterday I found great enjoyment in listening to the hon. member for Provencher (Mr. Jorgenson), and I want to congratulate him upon his speech. It definitely showed that he had done his home work. I would say that his remarks proved that the agricultural problem is indeed a very intricate one.

I was surprised, therefore, to hear the Prime Minister, in his address in reply to the speech from the throne, try to lay the blame on the previous administration. Surely he does not expect the Canadian people to be so naive as to believe him in that regard. He knows quite well that the previous administration did its best to try to retain markets and find new ones. He has the files at his disposal. The present government, after studying the matter with experts, created a committee of three wise men. They then sent four heavyweights to the United States for a conference on economic matters. What happened? The United States secretary of commerce is reported to have stated, "We fixed them." I do not believe that this is really what happened, but that is what was said.

These four heavyweights, including the Prime Minister, must have realized the tremendous difficulties, not only those that lie ahead but those which the previous administration had faced. Although I am a novice in this house, Mr. Speaker, I was surprised and saddened to hear a man as responsible as the Prime Minister of Canada trying to throw the blame for this situation on persons of whom it was never said they had been fixed, and when the present administration does not seem to be doing any better. It would appear that they are doing much worse. The people of Manitoba, at any rate, are not as gullible as the present government would like them to be.

We heard statements that there would be more trade with Great Britain and less with the United States. This interested the western farmer. It meant the possibility of greater sales of wheat and other grains. Then, when the British government proposed free trade between Britain and Canada, it was really humiliating to find the only reaction one of "intensive examination and consideration". It appeared as if Britain was calling Canada's bluff. I do not propose to say that at this time it is possible to implement complete free trade, although it is a goal of which we must not lose sight. There are, indeed, very formidable difficulties in the way. But why try to impress the western farmers by saying that free markets are to open in Britain; that wheat "galore" will be sold, and then when there is a chance for the western farmer to sell his wheat the government admits that finding markets is not as easy as it would look on the surface. I might say, too, that one day the western farmers will call the Conservatives' bluff.

I should like to turn now to certain problems in my own constituency. I would point out that while these problems are local in their application, their solution will stem from government policy which has to be applied in many other constituencies across Canada. First of all I would refer to the matter of erosion. At the junction of the Assiniboine and Red rivers, in the very heart of the metropolitan area of greater Winnipeg, the combined waters of these rivers eats the earth away from the east bank of the Red river. This is where the St. Boniface hospital is situated, as well as many other buildings having a total value of well over $10 million. There is also Tache avenue, which is a main artery of the city of St. Boniface.

The situation thus created simply cannot be allowed to continue. I understand that some proposals were made to the government, but they are still under study. I noticed the statement made by the Minister of Public Works in which he said the federal government could not be held responsible for erosion unless it was attributable to navigation. I wonder what the government would do if the erosion was endangering navigation itself. The earth that is continually taken away from the bank falls into the river and lifts up its bed. Consequently it endangers navigation and, furthermore, increases the danger of floods. It is not necessary for me to recall to the house the anxious moments of the inhabitants of the Red river valley during the 1950 flood. In this regard I might add that the people of Manitoba are still very grateful for the assistance provided at that time. I shall leave this point now because I propose to take up the matter again with the Minister of Public Works.

Another problem in my constituency is caused by the fact that the town of Transcona used to be only a railway town practically under the control of the Canadian National Railways. Now it is a growing, prosperous and industrious community, the hub of southeastern Manitoba. The Canadian National Railways take the stand that they do not legally have to pay taxes to the municipality. All the town of Transcona gets is a grant in lieu of taxation. The town of Transcona is demanding that these grants be more realistic. Year after year resolutions are passed by meetings of mayors and municipalities asking for more realistic grants.

There is also in Transcona the matter of getting the Canadian National Railways to pay their share of sewer and water installations on Pandora avenue, east of Madeline street. The railways have been asked to pay their share of these improvements but they refuse to do so, and their reason is that they feel that such sewers and water mains are of no useful purpose to them. This means that a municipal taxpayer who is close to the railways must pay more taxes than do other taxpayers.

It may very well be that the railways stand is solid on legal grounds. However, I am not speaking of the law at this time but rather of what would be a fair way in which to deal with taxpayers. One would expect that the Canadian National Railways could more easily afford to pay taxes than the small taxpayer. This again is a matter that I shall bring up again in the near future with the minister concerned.

I understand further that one line going through the municipality of Springfield does not pay anything, this again because of an old statute. One cannot but have a feeling at times that big people do not care about small people, many of them railway employees. Surely statutes do not exist solely to protect big people. Other statutes may be passed.

In conclusion I should like to set out the reasons why I do not propose to support the amendment to the amendment nor the amendment itself to the motion. I have first of all to look at the motion of the Social Credit party and I read as follows:

> However, we regret that there is nothing in the speech from the throne to indicate that it is the government's intention to ask parliament to lay down a scientific, modern financial policy for Canada that will guide the Bank of Canada in its operations, . . .

The important governing words, I submit, are "scientific, modern financial policy". This would mean a scientific, modern financial policy according to Social Credit principles. I have read many articles about Social Credit and I have read a number of speeches made by Social Crediters, and as yet I must confess that I find their financial theories to be rather nebulous. Furthermore, their financial theories have not been applied in the two provinces which have Social Credit governments. I would venture to say that the success of the Social Credit party in these two provinces has been caused by the fairly sound administration by the people concerned, but it is in no way a proof that Social Credit principles are sound. For that reason I cannot support that particular amendment.

I now turn to the C.C.F. amendment, Mr. Speaker, and I will try to read the governing phrases:

> We respectfully submit, however, that in the opinion of this house Your Majesty's advisers should give immediate consideration to the advisability of taking steps to deal with the menace of inflation, rapidly rising unemployment and other serious problems facing this country. We call upon the government to give immediate effect to the social and economic planning necessary to cope with these problems.

Here the governing word is "planning", and "planning" here can mean only planning à la C.C.F. I should now like to say a word about the C.C.F. I have followed their progress with great interest throughout the years, and I have found many admirable things in what they said. As a matter of fact, when they speak of social security and social justice I believe that they are preaching pure Liberal doctrine. I go along with them 100 per cent along those lines. I believe that the big must help the small and that the rich must help the poor. That is only charity, and that should be done.

On the other hand, when I follow their philosophy and principles to their logical and ultimate conclusion, I cannot but fear that we would end up with a form of bureaucratic government of the worst order. There is enough bureaucracy as it is. Too much government interference is not good. We would lose a sense of initiative and we would lose fundamental rights to private property and free enterprise. For these and other reasons I simply cannot go as far as they do. For that reason I cannot support their amendment.

Turning to the motion for the address itself, I should like to state that I do not propose to vote against the government on this occasion. The reason is simply this. My electors have asked me not to do so.

Some hon. Members: Oh, oh.

Mr. Deniset: That statement applies not only to my electors but to the electors of the province of Manitoba. I am not speaking of parties right now; I am speaking of electors generally. In order to explain what I am talking about, let me refer to a certain statement that was made by the Prime Minister in his own speech. You will recall that he was asking us why we did not permit a vote to take place. Then pointing to the heckling he was receiving he said, "They have already jeered themselves out of this side of the house". It was a Shakespearean gesture. I cannot here re-enact the scene, Mr. Speaker, but at that time I could not help but think to myself, "If anything, the Conservatives have done nothing but promise their way out of this side of the house where I am".

I say this in all seriousness. Since the June 10 election I have been out in my own constituency and elsewhere in Manitoba. I have spoken to hundreds if not thousands of people. We talked about the election. We said, "What are we going to do now?" The most common remark was, "Well, we will see what they can do. They are in office. They promised many things, such as reduction of taxation and increases in services. Let us give them a fair chance but"— and it is that "but" that stands out—"watch out if it does not come true." Some even say, "Watch out when it becomes impossible". One cannot help but remember the old saying, Mr. Speaker: "You can fool some of the people all of the time, you can fool all the people some of the time, but you cannot fool all of the people all of the time." Beware, I tell you—

Mr. Fulton: That is what you discovered on June 10.

Mr. Deniset: The bubble may burst.

An hon. Member: Which bubble?

Mr. Deniset: Yours. The Canadian people will stand for only so much oratory, and I would suggest that in the final analysis they will prefer to a cascade of words, however eloquent they may be, the record of achievement to which they have been accustomed during the last 22 years.

Mr. S. H. S. Thompson (Edmonton-Strathcona): As a new member, Mr. Speaker, it is my privilege to congratulate you on your appointment to the high office you hold and to pledge my support in first learning the rules of this house and, second, in abiding by your rulings which I am sure will always be given in full sincerity.

May I next congratulate the mover (Mr. Smith) and the seconder (Mr. Arsenault) of the speech from the throne, which I feel they did excellently.

As the member representing the southern portion of the great northern city of Edmonton I am, of course, particularly interested in congratulating the member for Calgary South, our neighbouring southern city. As you know, out there normally we fight it out in football or anything else, but when we get here we have a rather close affinity. It is therefore, I feel, important that at this stage I agree with him on at least one question. He brought forward the question of the position of Canada's oil companies in comparison with American oil companies so far as income tax is concerned. I feel that it is fully justified that he should work within his party to achieve an improvement in this situation. Of course Calgary is the paper oil capital of Canada and therefore it should be his duty to continue with this job. We in Edmonton have the production facilities.

I note that the hon. member who spoke immediately before me on behalf of the Liberal party took issue with our amendment to provide a scientific, modern, financial policy, on the basis that we had not already done so in the provinces of Alberta and British Columbia. May I remind him that the Liberal party proved through the courts that this was their responsibility at the federal level. I am very pleased to acknowledge the great compliment he paid our provincial administration in saying that what has been done has been accomplished through very sound administration.

In my opinion the importance of the memorable occasion which we witnessed at the opening of this parliament is not to be found only in the glorious traditions which were represented but rather the effectiveness displayed in the present and the good omens portended for the future. My wife and I were deeply conscious of the honour which had been given us when we had the privilege of meeting the sparkling eyes of Queen Elizabeth and attempting to return the smile of Prince Philip. As we shook hands we were well aware that our duty on this occasion was to bring the greetings of everyone in our constituency at home to the royal couple and through them to Canadians everywhere; and, yes, to the members of that great association of peoples throughout the world which our royal family represents.

It was very apparent here in Ottawa and in Hull as the crowds gathered from day to day, as the children cheered and the members of this parliament mixed happily together, that the royal couple have a unique power to bring us together on a common ground in joyous jubilation. For a time at least our newspapers, radio and television forgot the tragedies, crimes and fears which normally form their headlines, to unite across the country and bring us joyous news of every event which happened throughout the opening of this parliament by Her Majesty. Even if our royal family served no other purpose than to bring us happily together they should be cherished as irreplaceable. May it ever be thus.

We notice in the speech from the throne that it is the intention of the government to continue the Colombo plan, for which I am sure they are to be complimented. As was mentioned on the floor of this house this morning and at other times, it appears that we intend to use wheat as part of our contribution in that area. May I note that this will have a twofold message of good will,

first to the recipients in that area of southern Asia and other distant lands and, second, to the western wheat farmers. All too often in the past the only gifts which we as a nation seemed to think of were those of arms and weapons of war. These in some instances can have a twofold purpose, in that they may be used either for or against our best interests.

We note that there will be held shortly a dominion-provincial conference. While the government are conducting this conference I would ask them to keep in mind that the taxes paid by the people of Alberta are to a large extent collected by the dominion government in other provinces, and I charge them therefore with the job of ensuring that equalization payments are made in a fair and just manner.

It is with great pleasure that I note there is to be an increase in the old age security pensions. I may say that I had the privilege of campaigning strongly as a Social Crediter on this matter right from the beginning of the campaign, and that I was immediately joined by my C.C.F. opponent. My Conservative friend—and that can be taken literally, as we were school friends together—proudly announced at the first of these all-candidate meetings that he had no platform whatever, and proceeded to criticize me for the fact that I had one, but very shortly on this question at least he was very pleased to join ranks with us. In view of the fact that the Liberal party therefore appears to be the only party in opposition, there should be no trouble in bringing this legislation quickly to fruition.

In this connection, while of course this increase will bring assistance to many of our senior citizens throughout the land, I would like to mention another phase of the matter which was particularly brought home to me by the eventide home operated by the Salvation Army in our particular community. I might mention that a former member of the legislature of the province of Alberta is now living out his days there among old friends.

The people who pledge their lives to the work they are doing in providing homes and friendship for our senior citizens should not have to be perpetually plagued by financial problems as they have been in the past. Therefore the increase in pensions will carry a message of goodwill throughout all these organizations across the land.

However, I would ask one question about the next part of the speech from the throne. Is it wise to shorten the period of residence for qualification for the old age security pension? What effect will this have on the amount of increase which will be available for those who are already entitled? Perhaps this shortening of the period is based on the assumption that those who pay into a fund should reap a benefit from it. If this is the case then may I ask the government to bear in mind the fact that a person may live in this country for the full 70 years of his productive life, yet when he receives his pension he may lose it again if his doctor suggests that for health reasons he should live in Arizona. Therefore I charge the government that if it is to consider the period of residence necessary to qualify, then it must also consider the period of residence necessary to disqualify.

We welcomed the announcement that blind allowances will be increased in proportion to the others. If any of you have not had the privilege of being associated with the Canadian National Institute for the Blind and meeting their executives, who in most instances conduct the business of that organization in total blindness themselves and do such a wonderful job of it, who come out into the seeing world among us and put forth the problems of their fellow men who are similarly afflicted, I say you have missed an education. You have been deprived of an important lesson in life if you have not had the privilege of attending some function held by the blind, usually very casual, at which they rise so easily, again in total darkness, to take part in whatever activity it may be.

As a veteran I welcome the increase in veterans allowances and pensions, and charge the Minister of National Defence to fight within the government a final and lasting battle to ensure that all veterans will secure a just allowance at this time. In conjunction with this I would also like to congratulate the hon. member for Edmonton West on his appointment to the position of parliamentary assistant to the Minister of National Defence. I might say I have had the pleasure of being associated in business with the hon. member for Edmonton West, and look forward to him playing a vital role in securing those allowances which are so greatly required by veterans throughout the country.

The constituency which I represent contains a wide belt of excellent, black loam farm land extending around the southern and eastern edges of the city of Edmonton. This is, of course, a highly developed area in which there are many of the finest dairymen, poultry men, pig men and other producers, and the rich market gardens supplying the city of Edmonton. Many of these producers are known across the country for their efficiency.

What does the wheat question mean to us? As you know, the Minister of Agriculture has told those who grow wheat and rely on it to diversify production. If you are familiar with what happened in the case of eggs last year you will realize that in large part this has already been done. For a period of some six months eggs remained at the floor price. Comparisons are sometimes odious, but if you would compare the price which our farmers received during the six months including the middle of winter with the price received in the 'thirties you would find they were receiving less. This appears a strange situation, but we must commend the farmers for the job they have done in finding ways and means of producing efficiently in winter, which they could not do a short time ago. I would point out that while cash advances are most welcome they represent only a temporary measure, and this government must do its best in accepting the responsibility which rests with it through the Canadian wheat board, that of selling our wheat.

To a large extent the sale of wheat is more an internal problem than people realize. Each time we attempt to sell wheat the purchaser feels he should sell us something in exchange. This is called trade. We have protections for industry which are known as customs tariffs, taxes, duties, etc. In many cases we are therefore unable to import from the countries to which we can sell our wheat. When the Prime Minister said an attempt would be made to divert 15 per cent of our present purchases from the United States to countries that could use our wheat I think his statement was justified, and this represents practically the only method by which we can sell Canadian wheat without disrupting our own economy. I am not suggesting for an instant that duties are not needed for the protection of our industry. However, as a new member arriving here and visiting the office of stationery supplies I was surprised to note that the ink well, stapler and pair of scissors for which I signed—and which they said would be available for only one session and therefore must be carefully accounted for—were all made in the United States.

While the South Saskatchewan river dam project is important and worth while on its merits, I submit the time may not be ripe for proceeding with it if in doing so it is the intention to irrigate a large part of southern Saskatchewan and place there men to compete with those who work in the irrigated areas of Lethbridge and the highly developed special producing areas of Manitoba.

In the area from which I come we are faced with powerful competition from the Lethbridge area, which is better developed and organized than our own. We are also confronted with keen competition from the distant area of southern California with regard to our vegetable products. I would therefore charge the government, when considering the South Saskatchewan river dam, with ensuring that there will be markets available for those who will farm that land and that we shall not add to our problems by launching a huge project prematurely, thus bringing about a situation in farming which is worse than the prevailing one.

The price spread between producers and consumers has been mentioned in this house. It is suggested that by investigating this circumstance we shall improve the situation. Usually when any investigation is going on those who are being investigated are in danger of being blamed. I am quite sure that the entire food industry will prove its strength and efficiency during this investigation. I might mention that during hurricane "Hazel" I had the privilege of being in Toronto to attend the convention of the retail merchants' association of Canada. At that time we were asked by the milk foundation whether we as retailers would give assistance in moving our butter surplus. In reply we suggested that this could be done simply by enclosing a coupon with family allowance and pensions cheques across the nation, and that by doing so it would promote the sale of butter, not only at that particular time but for a considerably longer period, for butter would be going to the homes of many people who were not accustomed to using it.

We received from the Minister of Agriculture what I thought was rather a strange reply, which in general suggested there was not a surplus of butter. However, it was not long until we found that a large quantity of butter had been sold to Poland at a price nearly equivalent to the price of margarine which we, the people of Canada, were eating and which we were importing almost entirely from the United States, at least the product from which margarine is made. I can assure hon. members that the food industry generally will be very pleased to extend invitations to them to visit their plants and their stores, as we have done in Edmonton, to find out just how this giant industry works.

In the bureau of statistics somewhere here in Ottawa—I have not found it yet—there are many facts concerning the food industry. In these facts you will find it is pointed out that generally speaking the entire industry works on lower margins, in comparison with sales, than practically any other industry. I would suggest that a fact-finding body composed of members of this parliament should

do the job. It would be more appropriate to give this job to members of parliament than to pass it over to a royal commission.

There is another reason for the rising cost of food, and it is a very important one to consider. Some time ago our homes were equipped with a washboard and a clothes line at a total cost of perhaps $2.50. I am sure most of the homes of hon. members here today contain a dryer and an automatic washer worth perhaps $600 or $700. When compared with the price of the washboard and the clothes line the increase in cost is fantastic.

Many improvements have been made in the food industry, and most of them have been asked for by the housewife. There are ready mixes and prepared food, which relieve drudgery in the kitchen. There are items such as washed potatoes. I do not think in the fine modern home the housewife would appreciate our old custom of buying a 100-pound sack of potatoes and getting with it a large quantity of the good earth. I therefore charge the honourable lady member of the government to work toward the emancipation of the home-maker and impress upon the government the fact that it is quite all right for the home-maker to demand that which she wants, namely prepared foods. I might say that is the difference between our way of life and that of the totalitarian states, where somebody decides what everyone should have.

In our constituency we are very proud to have the University of Alberta appropriately situated on very nice grounds on the banks of the North Saskatchewan river. It has now, of course, been enhanced by the glorious Jubilee auditorium built so recently. In this connection I might say that Calgary also has one. In this regard we are, of course, interested in the grants being made by the Canada Council. We say they should be equitably distributed, and we trust the government will see that this is done. In so far as grants for culture across the country are concerned, it is our desire that these grants should not attempt to control culture. We are very proud of the varied cultures which are our heritage in the west. Our people have come from all around the world and have brought those cultures to us, and we trust it will be the policy of this government to encourage those various cultures rather than attempt to put them all in the same mould.

The international airport in Edmonton is now under construction in my constituency. The Minister of Transport was very pleased to take his place at the opening function at that airport. You can imagine his surprise when, instead of being handed a silver spade, he was handed a giant bulldozer. However, he carried on very well and after a while was in charge of the controls in the midst of the proud assembly there. After his departure his wife climbed aboard and added an interesting part to our ceremony that day. I say to the Minister of Transport that he has accepted this airport as his baby, and we trust he will ensure that everything goes forward at full speed and that the problems surrounding it will receive his full attention.

I may say that already the municipality of Leduc in which the airport lies is rather concerned regarding some problems that are developing. As hon. members know, when you start to build an airport you move heavy equipment. There will be a continuous stream of trucks hauling gravel to this airport. We trust this government will assure the municipality of Leduc that it will repair or rebuild the roads which these gravel trucks may destroy.

Edmonton-Strathcona is one of the most progressive and fast-changing constituencies in Canada. At the end of the war there was only one factory of any size in the constituency, and that was the factory of Gainer's Limited. This was true until a few years ago. We now have the refineries of Imperial Oil, McColl-Frontenac, British American and the giant Celanese Corporation plant, which is a city in itself. The C.I.L. company have completed their plant and are developing their facilities very rapidly. I cannot claim the Sherritt-Gordon plant; it is just on the other side of the line, but most of its workmen live in the fast-growing town of Fort Saskatchewan, from which you will be hearing much in the future.

These industries have in turn brought subsidiary industries which either supply them or process their products. Many changes have taken place in our community. As all these industries work round the clock; there is continuous shift work and shift changing. We have now become accustomed to having our highways suddenly clogged as shift changes take place, and to having perpetual traffic throughout the night.

We are starting to realize more of the problems throughout the country and to feel a closer affiliation with the industrial east. We are also interested now in markets throughout the world, not only for wheat but for many other products as well. As you know, the production of the celanese plant will be seeking markets wherever they can be found anywhere in the world. Yes, the single wheat economy is leaving our area.

I come now to changes in taxation. I, of course, do not know at the moment what these may be, but I should like to mention

those which I feel are most important to my constituents. First of all there is the matter of the personal exemptions now provided under the Income Tax Act. The income tax of the average person in the country has been increasing continually as his wages have increased to keep up with the cost of living. This did not require any act of parliament. However, in order that he may be relieved of continually increasing income tax the exemptions must be increased. Over any considerable period, if wages continue to rise this would not necessarily mean any reduction in the return to the government from the income tax field.

May I also say a word about corporation income taxes. If it is the intention of the government to do anything in this connection I suggest that a similar policy should be adopted. In other words, the amount on which the 20 per cent levy is made, that is $20,000, should be increased in order to give small business a better opportunity, rather than to decrease the higher taxes on larger corporation profits. If it is the intention of the government to reduce the sales tax on cars I suggest that they keep in mind the position of the dealers holding cars and ensure that they are treated equitably.

In our urban area we of course have problems similar to those throughout the country, but in the fast moving city of Edmonton I think the housing shortage is more pronounced than in other places. At a time when immigrants were flooding into the city and we were reaching the period when the large increase in the birth rate of the war years was going to be felt in the number of young families seeking homes, action was taken to curtail house construction.

In addition, we saw the development of high interest rates, which meant that those providing the money suddenly had an increase in profits greater than the builders could ever hope to make in the construction of houses.

I submit it is most important that our house-building industry be revived, for individual homes are the stronghold of democracy. We saw small business crushed and destroyed by the sudden imposition of a blanket policy across the country to protect us from supposed inflation. Financially strong companies could weather such a change but many solid, efficient firms were suddenly destroyed because they were caught short at that particular time. This was called a tight money policy and introduced to curb inflation.

Our Liberal friends have accused this party of having a policy which would create inflation. It was certainly most interesting during the election campaign to be able to challenge them on what they meant by inflation. Mr. Speaker, rapid deflation could have a worse effect on the country than any inflation. I do not mean to say that rapid inflation is a good thing either, but rapid deflation represents in a way a strike of the top bracket organizers of industry and business across the land, of the men who have the know-how to develop Canada. This is no time for a pessimistic attitude, for I predict that regardless of what we may do Canada will surge on to claim the last part of this century as Canada's own.

Finally may I say that while I am sure it is the feeling of my constituents that in the house I should always criticize anything which affects their interests adversely, I am also sure it is their feeling that they elected me to come here and do a job. Therefore I shall always be ready to co-operate with the government as far as possible in attempting to ensure that this parliament shall continue in session and shall not become such a fiasco of procedural debate as that one which had for its excuse the trans-Canada pipe-line issue. I hope we will not hear anything more about closure, for it would appear that the government in power are the only ones who can use closure and if they were to eliminate it, it would suggest that they intend to be sitting in the opposition very shortly.

Mr. Speaker: The hon. member for Restigouche-Madawaska.

Mr. Van Horne: Mr. Speaker, I gather that I should call it one o'clock.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. J. C. Van Horne (Restigouche-Madawaska): As I rise to take part in this debate, Mr. Speaker, I wish to extend to you my sincere congratulations upon your so well deserved appointment. I should like also, through you, to congratulate the Speaker of the house on his elevation to his very high office. As Her Majesty the Queen and Prince Philip return to England I know they leave in the hearts of all Canadians feelings of loyalty, gratitude and joy at the knowledge that we have a real Queen of Canada. I am sure she takes with her the best wishes of the Canadian nation.

I should like to congratulate the mover (Mr. Smith) and seconder (Mr. Arsenault) of

the address in reply to the speech from the throne. Certainly it is fitting that the address should be moved by a western member. When the hon. member for Bonaventure speaks of the backward conditions along the Gaspe coast, I can assure you that he speaks the truth. The Gaspe coast, like the maritime provinces, has been a neglected part of Canada for the past 22 years.

I wish to say a word to express to the Leader of the Opposition (Mr. St. Laurent) my sincere best wishes for many happy years in retirement. While we were celebrating the victory of June 10 in premises that had been arranged for long before the election, because we knew we were going to win, I could not escape noting that a great chieftain had fallen. Later I was pleased to hear that he intended to lead his party through the next general election. Then those young Liberals came from Ontario and decided to see how far they could go, aided and abetted by some of the Leader of the Opposition's own colleagues on his left and right, in criticizing their chief. This action strikes me as the height of ingratitude to a man who has given so much to his party and his country. Certainly I for one and many members of my party were quite willing to give the former government advice which, if followed, probably would have meant their re-election last June. However that may be it is well to reflect that my people, and the people of Canada, will long remember how these young, two-bit political hoodlums treated their chief after this last election. Our people can hardly wait for a chance to rid this country of the remnants of the soon to be leaderless Liberal party.

Quite apart from all this, sir, I wish to assure you that there has never been on my part, and there never will be, any feeling of animosity toward any member of this house, let alone the former prime minister. We come here to do a duty, sent here by the people we are elected to represent. My loyalty in the past has always been, and will continue to be, to the people I am here to represent, regardless of party politics. At the outset I should like to congratulate one minister of the new government who has done more for my riding, and for the maritime provinces, than any other minister of public works in the long history of Canada. I recall coming to Ottawa a few weeks ago on a Sunday night with Mr. Leo Hachey, the unsuccessful candidate in Gloucester county. This was just before the announcement had been made that $3.5 million had been made available to develop the harbour at Bathurst. I noted then that Mr. Hachey was doing more for his riding, although he had not been elected, than all the Liberal members had been able to do during the past 22 years.

By the way, I should like to thank the ex-minister of national health and welfare for the help he gave me during the campaign. He was down in my area, and I am assured that if I received the largest majority in the history of Campbellton it was due in no small part to his efforts on my behalf.

For many years the port of Dalhousie had been a sore spot because the minister of transport had refused, times without number, to have it declared a year-round port, although it had been open for five consecutive years without expense to anyone. The only trouble that developed was ice forming in the gulf during two weeks one winter. No sooner had the election taken place than the present Minister of Public Works dispatched to my riding his chief economic adviser and other distinguished members of his staff. Even the editorials in the Liberal papers in my riding mentioned the fact that these officials came to us for the first time since confederation. We have been getting recognition for our problems that we have never been able to get before. It is indeed satisfying to learn that just last week arrangements were made, in collaboration with the president of the Canadian International Paper Company, whereby the port of Dalhousie will become a year-round port, and whereby a fine new wharf will be established there in the course of the next year.

The former government never quite appreciated our problems, because I am sure if they had they would have acted. This was due in part, I think, to the fact that Liberal representatives were so sure they would not be listened to that they did not see fit to speak. I can tell the former government that if it had taken, for instance, some of the advice given to it by the hon. member for Westmorland the result of the vote in the last election might have been quite different, especially in the maritime provinces. In any event the port of Dalhousie will now become a reality.

I should like to deal for a few moments with the Campbellton-Cross Point bridge. Twelve surveys have been made in connection with this bridge by various governments since confederation. Sets of plans have been drawn up and at various times estimates have been prepared. At election time these plans were hauled out and shown to the people. This bridge became a political football during one election after another. Now, less than 22 weeks after June 10 a proposal has been made whereby the federal government will undertake to pay $1,400,000 toward the cost

of that bridge, plus one-third of the balance. The government was paying $70,000 a year in subsidies and repairs to the ferry wharves. The government made a brief mathematical calculation and saw that the $70,000 a year would be better spent in taking care of a capital expenditure of something like $1,400,000.

Instead of expecting the two provinces and the dominion to each pay one-third of the cost, as the previous government had so often declared was its policy, the new government proposed to pay $1,400,000 plus one-third of the balance, leaving Quebec and New Brunswick each to pay one-third. When Hon. Hugh John Flemming received this proposal I was immediately summoned to Fredericton. Within five minutes of the commencement of our meeting to discuss this proposal it was accepted by the province of New Brunswick. The federal government has now been advised that New Brunswick accepts the proposal and is prepared to pay this one-third of the cost. We are waiting momentarily for word, which we understand will be forthcoming today or tomorrow, from the government of Quebec, indicating their approval in contributing in a like manner.

There is a concrete example of good business administration and a sound investment. There is an example of a government that is trying to do something for a part of the country which we all know was neglected for too long by too many governments.

I should also like to say a word of thanks in connection with the new federal building which will be going up in Campbellton. I should like to say a word of praise for the splendid co-operation we have been getting from the Minister of Transport, from the Prime Minister's office and from all branches of the government. Our people in the maritime provinces now know that we have in Ottawa a government that is prepared to sit down and listen to their problems and endeavour by all possible means to bring about a solution to those problems which have been ignored ever since confederation.

In connection with the throne speech I should like very much to express my gratitude. I know I speak on behalf of the people I represent when I say that this throne speech is indeed indicative of the new deal which this government is prepared to give to the people of the maritime provinces. How often in the past have we pleaded, in this house for help for Beechwood, and how often have those requests been turned down. Yet, I dare say there was not a man in this house who did not recognize the merits of that case and who did not in his own heart feel that something should be done. It was only because of the indifference of the past government that nothing had been done. Yet within weeks of taking office this new government has indicated in no uncertain way that the Beechwood project, along with the other four accompanying projects which will completely harness the Saint John river, costing as they will something like $215 million, will not be retarded because of lack of co-operation and help from this government.

Likewise as to electric power development in the entire maritime provinces; we are grateful that at last we have a government that is willing to help us out. We do not ask for favours. We are asking merely that we be given a chance to develop in the same manner as the rest of Canada has had a chance to do. We are indeed gratified, and the news in the throne speech fills the heart of every person in the maritime provinces with pride in the new government that is finally prepared to recognize its duty to do it.

I should like also to say a word in connection with social security. I trust, Mr. Speaker, that this government, which I am privileged to support, will take advantage of the opportunity it has to do everything possible to rid this country of the means test. I confidently expect that old age pensions will be increased to $60 a month and be made available to all Canadians at the age of 65.

I have been asked before where I stood in this house. As long as I am here I will continue to repeat the demands I have been making in the past. What I ask is reasonable. Certainly if the late government had implemented only a portion of those demands it would still be in office today. This is a case of not punishing people because they want to supplement their meagre pension by earning a few extra dollars while working some place in the summer months. It is a case of not punishing a person because he has had the courage to save a few dollars and has a little bank account of $1,000 or $2,000. It is a case of not punishing the father of a family who had the courage to save his money, and who is now denied that pension precisely because he had the courage. In my opinion the situation is most unjust, and this government will be unworthy unless it does everything within its power to bring about the abolition of the means test at the earliest possible moment.

I should like to say a word about the Chignecto canal. I realize that the canal has been another political football ever since confederation, at which time it was promised as part of the inducement offered to the maritime provinces to have them join confederation. As a supporter of this government I know it will not delay in appointing

the commission which has been promised and which will be appointed to investigate all phases of this important canal. The Chignecto canal must be built. This government must recognize the fact that the canal was a premise upon which the maritime provinces entered confederation. I am sure this government will do that.

I should probably take a minute to speak of unemployment since it was mentioned by the hon. member for Charlotte (Mr. Stuart) the other day. I realize that unemployment is a problem that has plagued the maritime provinces for years without number. In June there were 1,109 people unemployed in Campbellton. It is true that today there are something like 710 persons unemployed. This means that there are 339 or approximately one-third fewer unemployed than there were at the time of the election.

I certainly have investigated this problem. I have gone to the heads of all the pulp mills in my area. Their explanation is clearcut. They say that had it not been for the tight money policies of the late government, and were it not for the unfavourable exchange on United States money, our mills would be going at full capacity and all our people would be working.

I remember discussing this problem with the presidents and other officers of the Irving Pulp and Paper Company, and they decided—not entirely, I may say very frankly, without grave consideration and expense—to employ this year twice as many men as they employed last year in order to offset the unemployment situation that developed in that part of the province with regard to the lumber industry. In other words, instead of 1,000 men being in the woods cutting pulpwood for the Irving Pulp and Paper Company, there will be this year over 2,000 men.

I visited these camps some time ago and asked one man how much he was making cutting pulpwood. He said, "In the past three months I have averaged $24 a day". The International Paper Company told me that those employed by it doing similar work average $15 a day. Certainly those wages compare favourably even with the salary paid to a member of parliament, I might say. The management of the International Paper Company have also tried to do everything possible to put men to work early in the summer in order to offset unemployment.

So while possibly the hon. member for Charlotte and I are in agreement as to the grave dangers of unemployment, I may assure him, as I assure this house, that the industries operating in that area are not lacking in knowledge of the situation and are not lacking in the desire to do everything possible to assist the workingmen of my riding.

What I was complaining about last year I shall be complaining about this year if the situation arises. I refer to delays in settling unemployment insurance claims. Those notices to which the hon. member for Charlotte referred were invitations to those people in my riding who were experiencing six weeks, seven weeks and eight weeks of delay in getting their unemployment insurance cheques to let me know about those matters. If this year these complaints can be handled by three stenographers that will be a help, because last year it would have taken twelve.

I should like also to speak briefly this afternoon with regard to housing. I am very grateful that this government has recognized the difficulties of the average wage earner in purchasing a home, and the $150 million which has now been made available by this government will certainly go a long way in providing houses for thousands of our families. But I say this in all frankness, as I have said it before in this house; that this is not sufficient. I have long advocated in this house, and I advocate again, the adoption of the American national housing act, lock stock and barrel. Why is it, if in the United States legislation can be introduced and properly carried out whereby a person can purchase a house with 4 per cent down of the first $10,000 and with nothing down in the case of a veteran, this government cannot do the same? I certainly see no reason why similar action would not be possible here in Canada.

There is nothing that gives more pride or satisfaction to a young father of a family as the knowledge that he can possess his own home. There is nothing which encourages good citizenship like property ownership, and nothing which would more effectively relieve the unemployment situation or would move our unsold lumber, of which our people down home have over 10 million feet in one yard alone, than an entirely new approach to our housing problem.

In the United States even the utensils in the kitchen, such as the electric stove, electric refrigerator, dryer, washer and even the fan that takes the smoke from the kitchen, are all included in the cost of the house. So a person who makes his down payment of $400 on a $10,000 home buys a house that comes to him almost fully equipped in regard to the heavy equipment which is needed in a modern home. If this system would cost this government anything I might take a different approach, but this government is making $15 million one year and $16 million

the next in profit under its national housing scheme. In the United States the same situation exists.

Why was the late government so afraid of the Canadian citizen that it would not trust him? There is not a valid reason that could be advanced as to why the down payments on homes could not be on the same scale as they are in the United States. There funds are provided with interest at 5¼ per cent, and there is no reason why funds could not be made available to the Canadian people in like manner. There is also no reason why we in Canada, under our housing scheme, could not recognize the loan value of a house already built. The effect of our housing scheme is to diminish the equity which people have in homes already built outside of our national housing scheme.

It seems unfortunate that the late government did not recognize its duties in this connection. Goodness knows, and I have spoken about this often in the house, if we are to solve our housing problem we have to do what has been done successfully in other countries. I remember in one little operation, in a town where a housing project was started, 104 people applied for homes. Yet not one person was able to purchase a home because not one person had the $3,000 or $4,000 needed for a down payment. Certainly I trust that this government will take every occasion to make sure that the National Housing Act, as we know it, is altered to meet the needs of the Canadian people.

I would like to say something about agriculture. In my riding since June 10 something like $400,000 has been expended in an effort to help the potato farmers in the northern part of New Brunswick. This help is certainly very much appreciated, but four or five weeks ago our small potato farmers had upwards of 600,000 barrels of potatoes which they were unable to sell and which they were unable to keep because of the lack of proper storage facilities. If a diversion program had been undertaken at that time I feel sure that the small potato farmer would have been greatly helped; and I know that although everything possible has been done since June 10, a whole new approach to agriculture as it exists in northern New Brunswick should be undertaken.

I should like also to say a word of commentary in regard to a statement made last Friday by the member for Laurier (Mr. Chevrier). If ever there was a party in this country which pitted religion against religion, race against race and province against province in a deceitful effort to gain votes during the past 20 years, it was the Liberal party. I come from a riding where the population is 85 per cent French speaking or Acadian, and I know whereof I speak. In the past I have no doubt that under the vigorous leadership which existed in the Liberal party those tactics were not permitted to be mentioned in this house. Now, however, when the Liberals are about to become leaderless, they have brought these tactics into the open in the House of Commons. I could tell you stories of happenings in my own riding that would make your hair stand on end with respect to disgraceful tactics in bringing race and religion into elections. It is a disgrace to the member who brought up the subject in this house. It was bad enough when they kept it behind closed doors, as in the past.

Before taking my seat I would like to mention one more subject. I presume this combines investigation into pulpwood fixing prices may have had its place, but I wish to state publicly here that I very much disapprove of the actions taken by members of that investigation committee or board in their conduct with many of the officials of our paper companies. I know of one instance where after rifling through the files in the president's office, they took advantage of his absence to go and rifle his desk without any form of authority from any court.

We are determined, and I know this government will take every opportunity to do this, to rid these services of the Gestapo methods which have been customary in the past. The people who operate these industries, the people who operate these mills, have a hard enough time getting along without the government interfering as it has done. I maintain that this investigation was properly set up, but it miscarried and was conducted in such a way as to bring discredit on the Department of Justice and the government as a whole. Certainly we have a right to expect a different kind of attitude, and I know we will have a different kind of attitude from now on.

Before resuming my place I invite hon. members on both sides of the house to give us a hand in the maritime provinces. I know we will have to await another election before we will have 10 Conservative members from New Brunswick, but in the meantime we urge the five Liberal members to not stint their efforts to co-operate with us to bring about the improvements we have so long needed in the province of New Brunswick and indeed in the maritime provinces generally.

In closing I would like to say I am very grateful and glad to be seated on this side of the house, but I wish to make it very clear at the same time that our problems are above party politics, and the needs of our people

demand immediate action. While it is a pleasure to work and co-operate within the framework of a party may I assure you, as I assure this house, that the duty I owe to the people of my riding and to the people of the maritime provinces will always come first.

Right Hon. J. G. Gardiner (Melville): Mr. Speaker, in the first place I should like to join with those who have spoken before me in congratulating the hon. member who was chosen as Speaker of the house on the first day we met, and to say to him I feel confident that in the period he occupies the chair of this house he will do so—and we are acknowledging that he does so—by maintaining the traditions of the speakership. During the long history of Canadian parliaments I think there has been no occasion upon which the Speaker himself was responsible for any unnecessary scenes which may have taken place in this house.

I would also like to congratulate the mover and seconder of the address in reply to the speech from the throne. The seconder of the motion, the hon. member for Bonaventure (Mr. Arsenault), is not very well known to me and I regret that I am not sufficiently familiar with the language which is his natural language to have followed him closely throughout the entire course of his remarks, but I am assured from the discussions which have taken place since that he fulfilled his duty in a manner which is most acceptable to the house.

As far as the mover of the address in reply to the speech from the throne is concerned, I have been familiar with his family for a long time. His dad and I knew one another well in our school days when we took part in college and other sports. He was always known as Sport Smith, which indicated that he was not only a good athlete but that he had the proper attitude toward the game he was playing and toward both those who were with him and against him.

Mr. McIvor: Hear, hear.

Mr. Gardiner: As we listened to our young friend, his son, the hon. member for Calgary South (Mr. Smith) as he made his first speech in the house the other day I was reminded of the fact that in those days his grandfather used to walk up and down the field where a game was being played and every time one of the boys kicked, he kicked too and gave the best of encouragement to those of his family who were participating in the game.

I am sure had he been present the other day sitting in the gallery—and if he had been following the same line of thought he followed in those days he would have been sitting in the gallery facing the opposition, but it would not have made any difference where he was sitting—and, had been listening to our young friend deliver his first speech in this house, he would have been extremely proud of his grandson. So would his dad had he been able to be here. I am not sure whether his uncle who lives in Regina was here the other day, but he too would have been proud of our young friend and would have followed his remarks with keen interest. I understand his mother was present, and I am sure she felt proud of the capable manner in which her son made his maiden speech.

These people were all friends of mine and friends of Saskatchewan in the early days. They lived in Regina and conducted an important business there in the pioneering days. We all acknowledge them for what they have done for us and share their pride in this young member of their family to whom was given the honour of moving the address in reply to the speech from the throne. I personally wish him every success.

I should now like to refer to what has been mentioned by most speakers who have participated in this debate, namely the 10-day period immediately past during which Her Most Gracious Majesty was present on this continent, four days of which were spent in association with the opening of parliament and other matters in this capital city of Canada and the other six in connection with the affairs of the country to the south. I think this 10-day period will go down in history as one which has done more to promote the best interests of the commonwealth of nations, and through the commonwealth the best interests of all the people in the world, than any other 10-day period in the entire history of the commonwealth.

To watch the proceedings of yesterday on television when the Queen was in the city of New York, and to have observed the previous proceedings when she was in the city of Washington, would suggest to one that at least those people on the other side of the line who associate their beginnings with Great Britain, and perhaps not less the people whose ancestors came to this continent from other parts of Europe, where they had monarchies for a long period of time, were very proud of the fact that the race to which many of them belong could produce a sovereign of the type we have today as Queen of Canada and Queen of the other nations of the commonwealth.

Just an hour ago I heard over the radio that the royal plane had arrived at the London airport. I am sure we all congratulate Her Majesty upon her fine appearance on this

continent and upon the fact that she and her husband have arrived back home safely.

Before going on to say more I think I should ask why we are here and try to give an answer as to why, in my opinion, we are gathered in this parliament. I am not speaking so much about the fact that for the first time I am sitting in the opposition in the House of Commons, which is a rather new experience for me. I have spent 44 years in politics. Out of that period I have been in opposition for only five years, and during that period of five years I was leader of the opposition in the legislature of Saskatchewan. So I cannot complain about the treatment I have received from the voters of the province of Saskatchewan and more particularly of my own constituency over that long period of time. Finding ourselves on this side of the house we must of necessity ask not only why we are here but we must attempt to answer the question why we are taking the position we are with regard to certain matters.

In the first place I might point out that this house was dissolved in April before we had voted all our estimates. As a matter of fact we had voted only a small part of them. At that time full expressions of opinion had not been given about a considerable part of the legislation which had been introduced in the house by the government of that time. It is probably going too far to say that the new government is in any way responsible for the legislation which was introduced but not passed, and of course we do not expect that it will be reintroducing that legislation in the house in the form in which it was then brought down either now or at any other time. On the other hand the system under which we operate presupposes that the money required for the conduct of the affairs of this country must be voted by parliament. Dissolution of the house at the time it took place resulted in that money not being voted; therefore it is necessary for us to be here at this time in order to see that that vote is carried through.

Of course we do not expect, and it has not been the case, that the present government is going to agree in every particular with the legislative program and the votes that were brought down by the preceding government, but it will be necessary to vote in general the greater part of the funds which were to have been made available through the estimates at that time, and we are here for that purpose.

Since that time we have had an election which has produced certain results. Every member of this house knows that under our constitution the leader of the party which can command a majority in the House of Commons is called upon to form the government. Therefore on this occasion when the people of Canada did not select any party with a majority of seats in this house; at a time when they gave to the Liberal leader the greatest number of votes in his favour obtained by any person but gave to the leader of the Conservative party the greatest number of seats given to any party, then it stands to reason that we are in a very peculiar situation at the present time.

This is not new to me at all, because most hon. members know that I went through a similar experience in Saskatchewan back in 1929, although there was this difference then. Although we did not have a majority we had the largest group. I was advised then, and I am advised now, that under our constitution when the government itself has the largest group following an election but there is no majority in the house in their favour, it is necessary for them to meet the house. They should meet the house and have the house determine as to who should be responsible for forming the government.

On this occasion the government party did not have the largest group. I am advised that under the constitution, in those circumstances, it is not necessary but is a matter of choice with the leader of the party which forms the government for the time being as to whether he should meet the house or whether he should advise the Governor General to call upon some other member of the house to form the government. Well, the leader of the government decided on the latter course, that is was advisable to go to the Governor General and discuss with him the possibility of resigning and not meeting the house, and turning the government over to some other party.

Well, naturally on an occasion of that kind the first thing the Governor General would want to know, the first thing a representative of the crown would want to know, is how do you propose that the government should be able to carry on sufficiently long to make it possible for the people of this country to know as to whether the person to whom they have given the largest representation is a person who can command a majority? There was only one way in which that information could be given to the Governor General, and that was for his adviser of that day to give it. Before going to see the Governor General the leader of the government naturally went to see the leader of the official opposition, who had the largest group in the house, and found him not only willing but anxious to form a government and take the responsibility for setting up a government under our democratic institution.

When the government of the day found it necessary to give assurance to the Governor General those assurances, of course, were given to the effect that we would carry on in such manner as to make it possible for the new government to have sufficient support in the house to be able to place their policies before the people of this country and carry on from there.

I recite these facts in order to say this, Mr. Speaker. I find it a little difficult to understand some of the criticisms that are made at the present time of the attitude of the present opposition. Before going on to speak further with regard to that point I would call attention to this also. Before the prime minister of that time went to the Governor General to discuss the matter the leaders of the two smaller groups in this house gave interviews to the press, in which they stated that they were not prepared to join in a coalition with either of the larger parties, but that they were prepared to give whichever party undertook to carry on sufficient support to allow it to make it apparent in what direction they wanted to go after forming a government or continuing as a government.

Mr. Coldwell: No.

Mr. Gardiner: My hon. friend says "no". Perhaps I am giving him a little too much credit; perhaps he did not go quite that far in so far as the old government was concerned. However, we had been in power a long time, and having been in power a long time—

Mr. Coldwell: Too long.

Mr. Gardiner: He says "too long". Since we had been in power a long time they thought we should turn over the government to some other group, and therefore they supported our turning the government over to the Conservatives. I am quite sure I am correct—I am sorry I did not bring the clippings from the papers with me—when I suggest that sufficient assurance was given to the party which now forms the government that if they did form the government they would be given an opportunity to make their views known to this house before they were voted out.

Therefore I say, with regard to the official opposition of today, that we feel we owe an obligation not only to the government of the day, not only to the group who form a minority in this house and who form the government, but we owe a duty to the crown and to the people of Canada to see to it that the affairs of this house are conducted in such a manner as to permit of the government placing their views on certain matters, on legislation, on the budget and on estimates, squarely before this house with their support and their recommendations to the Governor General behind them.

Before there was any thought of choosing a new Liberal leader in this country the prime minister of the day made the announcement, when he tendered his resignation, that he had given those assurances to the Governor General; that we would carry them out, and at the time he gave the assurance that it was his declared intention to lead the Liberal party in the next election in this country. When it is suggested here by some critics that anything we do in this house has anything to do with the fact that a Liberal convention is to be held to elect a leader, I want to say to the house and to the people of this country that the whole matter under discussion was settled before it became necessary to choose a leader at all.

I do want to say this—I have not consulted with the Leader of the Opposition (Mr. St. Laurent) or anyone else about this—that so far as I am personally concerned and I think so far as most of the Liberal members, or all the Liberals in Canada are concerned, if the press which is advocating such a policy, or if those on the other side of the house think it is a good line to follow, there would be nothing that would be more helpful to the Liberal party in the next election, whenever it may be called, than that we should be fighting it under the leadership of the present leader of the Liberal party. I wanted to say that in order to leave the impression that it had nothing to do with the matter of our giving assurances under the constitution as it exists that we would give the government an opportunity to place their policies before the house and the people of the country before we would consider it necessary to move a vote of want of confidence.

I would like to submit, Mr. Speaker, that I think the smaller groups would have been well advised to follow at least the intimation that was made prior to the calling of the house and to have desisted from moving votes of want of confidence at this stage. While this party is not moving a vote of want of confidence, it does not mean that we have absolute confidence in the government.

It does indicate that our constitution has got to be allowed to operate. At the same time I feel personally, believing as I do that the two opposition groups had given an assurance very similar to the one we had given, that they are moving their motions of want of confidence at too early a stage in the development that has taken place since the election. So as far as I personally am

concerned I am going to vote against both of them. When I do vote against both of them I will not necessarily be voting against anything that may be in either one of them, but I will be voting against the fact that two considerable groups in the house, having given everyone to understand that they would allow the constitution to operate, are placing party above the welfare of the country at the present time.

We in this group do not intend to do that. I am of the opinion, Mr. Speaker, that we should get on with the business we came here to do, namely to provide the money with which the government is going to be able to carry on until March 31. That is really the only work we came here to do. When the government finds it necessary to make some changes, slight or otherwise, in the provision for the spending of that money we must, of course, give consideration to that, and express our opinions as we go along; but in my opinion we should get on with the business of providing supply, clearing the order paper of legislation necessary to authorize expenditures and return to our homes until the government is prepared to bring in legislation and a budget and estimates they are prepared to recommend to the Governor General which will set out a policy based upon their criticisms of the last government and their election promises.

I would judge from what has been said and the attitude taken by the leaders of the party facing us that is what they intend to do. Of course if they intend to do that they will expect that some members on this side of the house may raise some objection to some of the things they are suggesting should be done which the previous government had not intended to do had it remained in office, but I think they will find that if they can listen to the expression of opinions on those matters without too strong political feelings resulting from such expression we will get along fairly well to the end of this particular session.

There is only one further remark I should like to make with regard to this discussion, and it is this. I was a little surprised at the attitude taken by the Minister of Finance early in the discussion, when he rose in his place at a time when the Prime Minister was not here—there is no criticism in that; I think he was in Washington—and said in effect that he intends to make all members in the house stand up and be counted on every occasion when any advance is being made on any estimates.

Mr. Fulton: Only on that one occasion.

Mr. Gardiner: In other words he is showing that lack of self-control which is necessary to the administration of a department such as the one over which he is presiding. I am sure, since he and I come from the same town in the western part of Ontario, he will learn in due course that is not the proper way to proceed in this house or even outside the house. After all, we are working under a rather peculiar set of circumstances and we must perhaps work in peculiar ways sometimes in order to accomplish the task that is ours as citizens of this country, no matter what political party we belong to. Therefore I would suggest that if we can all accept the position that we are here to do the particular job that ought to be done, we can express our criticisms from any place in the house from time to time, put them on the record and refer to them in times to come when we desire to do so.

It is not my intention to spend any more time on that matter in dealing with the speech from the throne. It is my intention to spend most of my time on past and present proposals with regard to agriculture. But I must first call attention to the similarity between the campaign of 1930 and the one just past. Quite a number of those who have spoken since the hon. member for Laurier (Mr. Chevrier) spoke last Friday have chosen to use his remarks as the basis for a discussion of an old issue that has been present in this country for a long time. But I should like to remind hon. members that this is not a new and unheard of situation. Prior to 1930 and after Mr. Bennett had been chosen leader of the Liberal—the Conservative party; I think it was Liberal-Conservative at that time—his supporters decided to put on a sham battle in a section of Canada that had never been anything but Liberal since it came into confederation, and that sham battle was fought on the issue that has been referred to in the debate here.

It had the result of electing eight members of that party from the province of Saskatchewan, which is the most it has ever elected either before or since that time. The election which followed a year later was won by Mr. Bennett and his party and he came into office. It does not make any difference what members on the other side of the house think. It is quite proper that they should think whatever they wish about the matter, but it has some effect when I hear persons get up and object to criticisms being made when everyone in the house and the country knows that this has been an issue between two sections of Canada over a long period of time. The introduction of certain ideas into the Conservative party convention last year did introduce the

subject whether or not anyone said anything about it. So we had a section of the country that for two elections had been more strongly Liberal than at any other time in our history reverse its position and go to the opposite extreme in its voting.

It is all very well for members of the house and people outside the house to try to convince themselves that some other issue decided the last election, that it had something to do with economics, something to do with other things. All I want to say to the government is that if they are of that opinion they have an even greater task before them in 1957 in satisfying the people that they can create a better economic situation than Mr. Bennett had before him in 1930. I think the more you think about that the more you will agree it is correct.

Mr. Bennett had other ideas that were similar to those that are held now. He thought it was necessary to call a session of the house right after the election in 1930, as a matter of fact in September also, and he called that session. I sat in the gallery some place—I had great difficulty in getting into the galleries at all—and listened to the speech he delivered to the house on that occasion. In that speech he reviewed a considerable number of the things he had said during the campaign, and he said, "We are here to put them into effect."

Well, there is no doubt that he did put them into effect. If there ever was a man who led a party in the Dominion of Canada, who advocated conservatism and put it into effect when he came into office, that man was Right Hon. R. B. Bennett, later Lord Bennett. He put those ideas into effect.

Now, what was the result? He had stated in that campaign—note the similarity of subject—put me in and I will pay 100 per cent of old age pensions. Did he ever do it? No, he did not. He did get it up to 75 per cent at one time, but he did not get it any further than that. I sat in a legislature at that time and they did not bring down a dollar to pay their 50 per cent share of the old age pension, with the result the legislature had to be called upon at a later date to vote the money because the federal government could not carry out its policy.

I listened a few moments ago to the hon. member speaking about Chignecto. I do not know if that is the way it should be pronounced but I think that is about right. Here is what Mr. Bennett said about that, according to the Saint John *Telegraph-Journal* of July 1, 1930:

> We offer you the St. Lawrence waterways; the Chignecto canal is a possibility, yes, even a probability.

[Mr. Gardiner.]

He said this in Saint John, right in the neighbourhood from which my friend who has just spoken comes. We have had two governments since those days and we have not got a Chignecto canal. We have had two governments since then and it was the second one, the Liberal government, which built the St. Lawrence waterway.

I hope our friends are not going to do as Mr. Bennett did in 1930, bring policies into this house in a rush in the first session a few weeks after an election. He pushed them through with his majority and made it absolutely impossible to pay 100 per cent of old age pensions. These policies made it absolutely impossible for him to build the St. Lawrence waterway or the Chignecto canal, and later made it impossible for him to carry on with the trans-Canada highway system, which had been introduced by Mr. Meighen, or the Trans-Canada Air Lines system, which had been introduced by Mr. King. The policies he introduced in that short session, without having given sufficient thought to them, raised great issues with the result that in 1935, speaking in New York, Mr. Bennett said this:

> I say that tariffs in many of the countries in the world today are much too high.

This is after he had been in office for five years. I could read earlier statements made to the effect that he was going to cure everything with tariffs.

He continued in New York:

> I say that tariffs in Canada are too high.

One could go on reading statement after statement by Mr. Bennett indicating that after five years experience he had learned that it was not a good thing, either for the party or for the country, to rush legislation through the house without much consideration.

I believe I have said sufficient to indicate that there are similarities between the party of that day and the party of the present day. There is a little more to which I would like to call particular attention with regard to agricultural conditions. Mr. Bennett, speaking in Winnipeg on June 9, 1930, said this:

> Listen, you agriculturists from the west and all the other parts of Canada, you have been taught to mock at tariffs and applaud free trade. Tell me, when did free trade fight for you? You say tariffs are only for the manufacturers. I will make them fight for you as well. I will use them to blast a way into the markets that have been closed to you.

Anyone on the other side of the house, the Minister of Agriculture (Mr. Harkness) if he wished, could say that tariffs did work in the case of butter. They have. Governments since have continued what Mr. Bennett

did with regard to butter. However, I believe it will be found difficult to suggest that these policies worked in any other place in the interests of agriculture. One policy was the use of higher tariffs, together with quotas arranged at conferences. This is another similarity. A conference was held immediately after the election, and another one was held in 1932. Out of these conferences came policies which ruined the agriculture of this country. My friend shakes his head. I would suggest to him that he go over to the apple growing country of Great Britain, as I was invited to do two years ago. He will find there one family which, under the preference forced upon Great Britain by two dominions in 1932, has a third as many apple trees as there are in the whole of Nova Scotia and a quarter as many as there are in the whole of British Columbia. In other words, when you try to force your way into the markets of the world, and to control your marketing of products by the use of tariffs, you can do yourself much more harm than good.

During that period under these preferences these people have put in more new apple trees than we have in the whole of the Dominion of Canada. Since Britain has planted more new apple trees during that period than we have in Canada how could we expect to sell many apples in Great Britain? One has to give most careful consideration to these policies as we go along.

The present Prime Minister (Mr. Diefenbaker), speaking at Portage la Prairie during the last campaign stated, as reported in the Regina *Leader-Post* of May 10, as follows:

> The Liberal government is doing nothing while the United States attacks Canada's wheat markets with almost ruthless abandon.
>
> He called for several measures to regain markets, including an approach to Britain to take wheat in place of some $17 million in interest owed to Canada on a postwar loan.

It is true that this statement does not mention tariffs, but some of the others do. Tariffs were mentioned as a means of taking care of this situation. Not very long ago the Minister of Agriculture announced that he was advancing the date on which fowl would be prevented from coming into this country. It would come into this country under the conditions set up by the order in council which we passed. I must say that at the time I discussed the matter with the officials of the department and the government, I was advised that fowl did not come into this country in any considerable numbers until August 1 and therefore we made it August 1. I would say it is a sort of bid for votes to tell the people of Canada under those circumstances you are advancing the date two weeks to the middle of July and say, "We are going to apply the same thing as the previous government, but two weeks in advance."

Then there was the announcement that there would be a duty on turkeys. The only reason there had not been something done about turkeys before was that turkeys were selling at 6 cents per pound higher in Canada than they were in the United States. That is the reason products come to this country from the United States or from anywhere else, the person who produces them and has them for sale can sell them at higher prices here than in their own country. If you want to stop that, there are two or three ways of doing it, but the Conservative way of doing it is to use tariffs. Another way would be to use embargoes. May I say to the government that they have been doing a lot of talking about ways and means of dealing with our wheat problem. The biggest obstruction to the proper disposal of our wheat in this world is right on this continent.

Prior to the last war there was a duty of 42 cents on our wheat going to the United States. When the president got the authority to reduce that he made it 21 cents, but just prior to that they imposed an embargo on our wheat so it could not go in at all.

Those are two ways of performing. If the government desires to perform in either one of them they will run into some difficulties which will give them considerable trouble over the weeks that are ahead. So I would again warn those who have been talking in the election of 1957, as their predecessors did in 1930, to study the aftermath of the action of their predecessors in the session of 1930 and to avoid the mistakes of that earlier time. This government should ask support at this session to do only what must be done now and should call us back to consider their well-thought-out policies early in the new year.

When the Liberals took over in 1935 we had two trans-Canada railway systems, a telegraph line and a telephone line to provide communication across Canada. When we turned the country back to the Conservatives in 1957 those railway systems were greatly developed, along with our telephone system and our telegraph system. But in addition to that we had a trans-Canada highway system which a world traveller said, as reported the other day in a newspaper, was one of the best that he found anywhere in the world.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member but I must advise him that his time has expired.

Mr. Gardiner: I am speaking, of course, on the amendment to the amendment. I shall be obliged to finish on the amendment.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I have listened to every word just spoken by the former minister of agriculture. Having regard to the majority of the time he took and what he said, out of the generosity of my heart the best I can say is that never has it taken so long to say so little. To me the majority of his speech seemed to be only an expression of the rabid fears of the Liberals that they may be forced to face an early election. When added to the other speeches to which I have listened emanating from the Liberal side of the house, it can only be interpreted as an admission of the fact that in the general election campaign and since this house has met they have been caught with their political pants down and now they are trying desperately to cover up the fact that they are exposed.

I noticed that the hon. member who immediately preceded me went out of his way, and made it a point to do so, to go after the C.C.F. because we had moved an amendment to the motion for an address in reply to the speech from the throne. May we make it emphatically clear that we deliberately moved an amendment to the motion for an address in reply to the speech from the throne and that we did so as a matter of fundamental principle and not as a matter of expediency.

We in the C.C.F. recognize the fact, as do most others, that although we welcome and will support—and have so stated—the beneficial proposals that have been mentioned in the speech from the throne, we differ in basic economic principle. We believe that the government, despite all it has said it is going to do, has missed the boat in connection with fundamental policies that will meet and solve the problems of this nation and will give and guarantee full employment, security and prosperity to the people of Canada. Because of the failure of the government to recognize that fact we have moved, as a fundamental principle, an amendment to the motion for an address in reply to the speech from the throne.

May I say, Mr. Speaker, that I am most grateful to the voters of Vancouver East for the fact that they saw fit to return me as a result of the poll taken on June 10. I feel absolutely sure that this is going to be a most interesting and intriguing session. Those of us who have been here previously cannot help but be amused at the session thus far in seeing the Liberals, as an official opposition, screaming to high heaven because they cannot get answers to their questions or do the things they want to do, things which they denied when they were on the other side of the house; and then at the same time to see the Conservatives, in what they have done thus far, giving exactly the same type of administration of parliamentary procedure as the Liberals gave previously and which they the Conservatives screamed to high heaven against. This sham battle would be most amusing if it were not actually so crucial. That is the way in which I want to introduce what we have to say.

Just as the previous Liberal government did not do so, the present Conservative government is not facing up to the real facts of Canadian life, the Canadian economy and developments throughout the world. Already this session we have heard from the parties of free enterprise—all three of them—a denouncement of the public ownership policies of the C.C.F. and a denouncement of the requisite social and economic planning as government policy which we say is so necessary at this time. Yet not only have we seen it year by year under the past government, but now we see through the medium of the speech from the throne the recognition by the present Conservative government that, in part at least, the future of Canada depends upon the co-operation of the federal authority and the provincial authorities in the realm of development under public ownership.

Knowing the free enterprise spirit of the other three parties, but in particular that of the Conservative government, may I say that this preliminary recognition must have been brought about because circumstances have forced it. We see it in the announcements already made of joint participation between the federal and provincial authorities in British Columbia on the Columbia river development, with the government of Saskatchewan on the Saskatchewan dam and, as mentioned by one hon. member—I think it was the hon. member for Restigouche-Madawaska (Mr. Van Horne)—on development in New Brunswick.

That is good, Mr. Speaker, as far as it goes but it is not going to solve the problem. Much as we welcome increases in pensions and allowances, that is not going to solve the problem either. Analysis will show that the only answer is an accelerated, deliberate policy of greater participation between the federal government and provincial governments on the development of natural resources under public ownership.

If that policy is not soon established then Canada is going to suffer from betrayal by, not only the past but the present government; because the way things are going today, in certain provinces under free enterprise governments there just are not going to be

any natural resources left as a heritage for the people of those provinces and the people of Canada generally.

Here we have, or we should have, recognition that Canada spent billions of dollars to fight and win a military war, not so many years ago at that. Now having won the military war we find our natural resources being handed away to those against whom we fought and those who lost the war. We are rapidly finding ourselves in the position where those who lost the war, under private enterprise policies in Canada are approaching the position where they own a great deal of our country.

Take the situation in British Columbia where there are now 71,000 square miles of that great province which have been handed over to the Wenner-Gren interests. One can pick up the paper every week and read of the infiltration of industry by the Krupp interests and others into the Canadian economy.

Now no one is going to oppose the development of our country, but if the major benefits of the wealth produced through the development of our natural resources is to remain in Canada then surely common sense dictates the policy to be established in the public interest is public ownership by co-operation between the governments of Canada. If the members of the free enterprise governments of the provinces are not prepared to go that far, if the free enterprise parties in this house are not prepared to go that far, and if the government now in office is not prepared to go that far, then surely it is not asking too much that they insitute policies to give the greatest possible return to the people of Canada to whom the heritage of our natural resources belongs and whose work produces the wealth.

It is with a great deal of regret that we in this corner of the house have to note that there is no indication whatsoever of this recognition, nor is there any indication of a line of action being taken and policies established which will retain in this country to the greatest possible extent the wealth produced here. We have no hesitation whatsoever in saying that it is wrong that outside capital can come into the country and reap untold millions of dollars' profit and yet pay no tax to the Canadian people through the medium of a capital gains tax.

Coming down from Vancouver to Ottawa I had a most interesting discussion with two very wealthy Americans on the train. They told me how much they loved Canada and I replied that I understood that because of our beautiful scenery, our natural resources and so on and so forth. They said we do not mean that, what we mean is that Canada is the land of golden opportunity for the profiteers. They told me quite honestly, knowing that I was an M.P. and a socialist one at that, that what they were doing was getting their capital out of the United States, putting it into Canada and leaving it here. I asked why, and they told me it was because there is no capital gains tax in Canada.

Time does not permit me, and I do not think it is even necessary because you, Mr. Speaker, should know from the records—especially with respect to the gas lines and oil pipe lines—that what has and is taking place is legal, financial highway robbery. This was pointed out by my leader who referred to the activities of the robber barons during the past months and years. If the government will not recognize the responsibility of public ownership in order to hold our natural resources for Canada, if they will not go along—and they have already said they will not—with a capital gains tax, then is it unreasonable to expect that the government and the government agencies should live up to the laws of Canada and that Canadians should not be made to subsidize Americans in the export of our raw materials to the United States.

Only a short time ago we had the opening of the Westcoast Transmission Company Limited operations in British Columbia. I made an investigation of what took place and I thought it was a matter for action by the Department of Justice but have since found that there is no legal action there, at least as far as it comes under that department. In the Westcoast Transmission Company Limited operation, under their present contract they are going to sell 500 million cubic feet of natural gas per day. Of that, 200 million cubic feet per day is contracted for by the B.C. Electric in British Columbia at a price of 32 cents a thousand and at a demand rate of 90 per cent.

Now they branch off to the United States at Huntington I believe, just alongside of B.C. Electric's takeoff, but immediately that gas crosses the border, coming down the same pipe line, 200 million cubic feet per day is supplied to the United States company at 22 cents per thousand cubic feet. I would like to know why the citizens of British Columbia should have to pay almost 50 per cent more for our own gas on the whosesale basis than the cost to the wholesaler when it crosses the border into the United States.

I, through you, Mr. Speaker, most certainly direct these questions to the Conservative government in view of all their talk in this house during the past five years, in view of their campaigning across the country prior

to June 10 about Canada first and the protection of Canadians, and how "we were not going to be rooked by the United States interests." Would they explain why the present situation has been allowed to develop. Not only, as I say, has the situation been allowed to develop, but this is something which I maintain is contrary to the law of Canada because we have an act entitled Exportation of Power and Fluids and the Importation of Gas Act. In the regulation of this act, which has not been repealed because I checked up on that, it says

> The price charged by a licencee for power or gas exported by him shall not be lower than the price at which power or gas, respectively, is supplied by him or his supplier in similar quantities and under similar conditions of sale for consumption in Canada.

That is a regulation in effect made under authority of an act of parliament. We want to know why a law enacted by this House of Commons is not lived up to. Even if there were no law, what is the political morality of a government that will allow a situation of this kind to continue?

I want to be absolutely honest. I believe this was the first such contract ever made in Canada and perhaps it slipped by those who are responsible for its ratification as far as the government or one of its agencies is concerned. Nevertheless, Mr. Speaker, may we ask assurance from the present government that there will be no repetition anywhere in Canada and that there will be a close scrutiny made of all contracts which may be presently under consideration or approaching consumation to ensure that the regulation will be lived up to and that Canadian consumers will not be placed in the position of subsidizing United States consumers in the export of our own raw materials.

I am certain the cabinet ministers from British Columbia will look into the point I am about to raise. I hope they will investigate the possibilities of examining into the re-drafting of the contract now in operation and which covers a period of 20 years. That is all I want to say on that matter at this time; but I wish to deal somewhat briefly with something else although it is a most important question.

A number of hon. members have spoken already on the question of unemployment and I feel I must, too, because of my knowledge of the situation as it exists in British Columbia and because on checking with the appropriate department I find, as I suspected was the case, that on a percentage basis unemployment in the Pacific region is higher than elsewhere in Canada.

During the past few months more than ever before I have been approached as a member of parliament by people in search of employment who were unable to find it. According to official figures I have been able to secure there were 29,138 registered unemployed in the Pacific region in September of this year as compared with 15,892 in the same week a year ago. In the city of Vancouver, one constituency of which I have the honour to represent, there were 15,141 registered unemployed on September 12 this year as compared with 8,019 in the same week a year ago. When you have an increase of almost 100 per cent in unemployment within a 12-month period it is a situation that cannot and must not be ignored.

I regret the evasiveness of the answer I received from the Minister of Labour (Mr. Starr) the other day when I asked what action was contemplated by his department in meeting the unemployment problem. Whether there are 100 or 100,000 unemployed we have to be interested because these people are hungry. A great many of them are not covered by the Unemployment Insurance Act and with regard to those who do come under the act there is the essential need for an increase in the allowance paid comparable at least to the increases contemplated under other acts.

I wonder how many members of this house, especially those who are married, could pay rent and live on the amount paid under the act today with the existing high cost of living? It cannot be done. The allowance paid under the act is too little to live on and too much to die on; it should be better than that. We certainly hope that the matter is under active consideration and that immediate action will be taken. We hope also the government will not wait for some future dominion- provincial conference to determine federal financial responsibility before extending benefits to those who are not covered by the act.

Time after time such people have come to my home; they have no unemployment insurance either because they are not eligible for it or because it has run out. They are being evicted from their homes for non-payment of rent and find themselves with nothing to eat and no means of providing for their family. Where do we send them? In most instances the best we could do is send them down to the community council where they can get assistance for one, two, or perhaps three days; but what do they do then? M.P.'s cannot support them.

I cannot stress too strongly the seriousness of this situation. I believe that if the federal government would not wait for the proposed

conference but would immediately notify the departments of labour of all the provinces that it is prepared to pay 50 or 60 per cent of the assistance to those not covered by the act prompt action would be taken in most provinces. I constantly encounter unemployed individuals in Vancouver who come to me for advice and assistance. I sincerely hope something will be done immediately and that it will be based on a decent standard.

In the few minutes left at my disposal I wish to draw to the attention of the government one other matter. I ask the government not to plan just from day to day but to look forward with creative vision. Despite all the questions that have been asked on the subject and all that has been intimated it is my belief that the government is going to proceed with a hospital insurance plan. God help them if they don't. If they fail to meet this challenge we will not have a new election in Canada, we will have a revolution because the people expect that at least hospital insurance will be brought into effect in the near future.

The experience we have had in British Columbia—and I think I can add the experience in Saskatchewan—when hospital insurance was first introduced was that people who required hospital treatment over the years requested hospitalization. This involved the construction of new hospitals. The time to start is before the over-all national plan comes into effect in order to be ready to meet that situation. If a plan for the construction of hospitals were undertaken now it would greatly assist the lumbering, construction and related industries as far as employment is concerned. But in addition to that the Minister of National Health and Welfare (Mr. Monteith) should take under advisement a change in government allocations for the construction of hospitals.

A very good principle was introduced, I believe in 1948, by the previous minister of national health and welfare under which a federal contribution was made toward the construction of hospitals based on a payment of $1,000 per bed for acute treatment hospitals, $1,500 per bed for chronic, convalescent and tuberculosis hospitals and $500 per bed for the erection of nurses' quarters. There has been a vast increase in the cost of construction since that time. In Vancouver the cost of construction of a hospital in 1948 was $9,000 per bed and at the present time it is $15,000 per bed but there has never been an increase in the federal grant.

We heard from the previous government about rising costs and I am sure we will hear about this from the present government. Well, as it affects you, why not recognize that it affects the provinces and municipalities as well and give benefits to them such as I have outlined. The principle is still good but the payments by the federal government should be in line with the increases in construction costs presently being faced by our municipalities and provinces in the erection of much needed hospitals. I earnestly hope this matter will be thoroughly investigated and that speedy action will be taken on it by the present government.

That is all I am going to say now. There are many other things I would like to speak on but there will be opportunity to do so as the session progresses. May I conclude by just saying that as an individual I am 100 per cent behind the amendment moved by my leader. It is an amendment of principle. By this amendment we hope to draw to the attention of the government that as much as we welcome the progressive measures they have in mind we feel it imperative for the security of Canada and the prosperity of its people that they should broaden their vision and lay down policies which will be, not only a fulfilment of their campaign promises but will go a lot farther and lay an economic, a philosophic and a parliamentary basis for a real prosperity guaranteed to all Canadians for all time.

Mr. R. M. T. McDonald (Hamilton South): Mr. Speaker, it is indeed an honour and a privilege to rise in my place in this house for the first time. It is an honour because I stand here with men of the calibre of the Leader of the Opposition (Mr. St. Laurent), the hon. member for Algoma East (Mr. Pearson) and the hon. member for Essex East (Mr. Martin). It was indeed a great thrill for me to have been elected on June 10 and I hope I can convey to this house the fact that I intend to represent the people of Hamilton South in no small measure. I think it is the duty of a parliamentarian to represent his people. In the past few days I have heard more speeches on history, on religion and on other things than I have ever heard before. I have learned more about the political history of Canada in five days than I have heard of constructive criticism of the speech from the throne.

I am not so naive as to pit myself against such experienced veterans as the former minister of agriculture, but I do recall reading that it was the hydro electric system of Ontario and New York state which prodded the Liberal regime to immediate development of the St. Lawrence seaway.

I should like to take this opportunity to commend my room mate, the hon. member for Calgary South (Mr. Smith), on the wonderful speech he made in moving the address

in reply to the speech from the throne, and with a little practice I hope that I may be able to give the same type of oration as he gave.

As a young man looking forward to a great future in Canada I want my children to have all the benefits of the resources and of all the facilities available. The hon. member for Bonavista-Twillingate (Mr. Pickersgill) took a great deal of pride in telling this house about the wonderful immigration policies of the Liberal party. I believe that in the next 25 to 35 years Canada should have a very large population to cope with the economic developments of this country. We should have an immigration policy based on that fact, and we should tell the people in the countries of Europe and in Great Britain that it is not a picnic over here; that this is a place where they must strive to make their living.

I come from Hamilton South where we have a great cross section of peoples from all over the world, Scots, Irish, English; from Italy, Yugoslavia, Serbia and from all over western and central Europe; with language difficulties, which we have heard talked about here, far surpassing the difficulties between the French and the English. They come from countries operating under the suppression of Russian dictatorial masters. I hope that we can have more constructive criticism in this house than that which was put forth by the hon. member for Laurier (Mr. Chevrier). I am not trying to criticize in any way the manner in which he put forth his suggestions, but I believe and hope that everyone here has high ideals and a high regard for this House of Commons which holds the traditions and the heritage of the Canadian people.

As a young man watching the course of Canadian politics, whether it be Liberal or Conservative, I do not want to see or hear ever again—and I am not saying this in a very jovial kind of way—the petty and stupid politics played by any member in this house, whether he be on our side or on the other side, with regard to religion or classes. Where can a young man turn for another example than to the senior members of this house. I hope that we shall all do our duty to the best of our ability.

The riding of Hamilton South consists of a population which is half residential and the other half industrial, with innumerable small businesses, along with large steel companies, rubber corporations, textile mills and the house-building industry. They are looking for a new deal and I think they are going to get it.

[Mr. McDonald (Hamilton South).]

I am rather young, perhaps the second youngest member in the house today, and I eagerly look forward to the government's policies of the future. I really do not want to hear about the great traditions of the past. We all know that the Liberal party has done a lot for Canada, and I believe they have; but we are looking to the future of Canada, not for political speeches in this house which give me a very disgusting taste. If I could bring some of my constituents down here to listen to the political speeches before the coming election, whether this year or next, I believe they would be disgusted.

I am very happy to hear that the government intends to do something about the social security program, rehabilitation and blind pensions. I am very interested in these things. I believe this government can do it. The Prime Minister (Mr. Diefenbaker) would not have promised anything that he knew he could not fulfil. I believe he has as good a political brain as anyone on the other side of the house and I think he knows what he can accomplish.

In Hamilton the housing industry is very grateful for the $150 million which Central Mortgage and Housing Corporation released into the market. This represents perhaps 15,000 homes in the Dominion of Canada and approximately 600 homes in Hamilton. This will assist the plumbing, electrical, heating, tinsmithing and lumber dealers to facilitate winter work, which I know we really need. I heartily agree with the C.C.F. party in the plea they make, and in which I join, that unemployment be stopped, and this $150 million will help to stop it.

I have a note here which suggests that the ordinary insured loan for the second quarter of 1957 by lending companies and other government agencies was $10,500, and an average income of $5,800. Through the agency of Central Mortgage and Housing Corporation the average loan has been dropped to $9,920 and the average income to $4,357. I believe we can go farther and bring this average down.

In Hamilton during the election campaign, which was fought with the Secretary of State (Mrs. Fairclough), the hon. member for Hamilton East (Mr. Martini) and the hon. member for Wentworth (Mr. Lennard), some of us advocated a new plan of housing, and I should like to take just a few moments to mention this for the consideration of the house.

Under the government land assembly act the federal government, the provinces and the municipalities buy land. This is cheap

land. I think it could be used to great advantage. It seems to me in the housing industry today the land grabbers, if one can call them that, are exploiting the land and making a great deal of profit.

The average income per worker in Hamilton is $71 a week. Under the last regime the average worker was finding it impossible to buy a home but today it is coming within his means. However, the man in the $3,200 to $4,000 income bracket is probably going to have a very difficult time to buy a home today and I should like to advocate a lease-purchase program which might enable people in that bracket to buy homes. The plan would operate in this way. A person would purchase a house on a five year option and pay rent for the five year period. Interest on the mortgage and taxes paid to the municipality would then be deducted from the amount he has paid and the remainder would be used as a down payment on the house with the balance owing on the house then being amortized over a period of say 20 or 25 years.

Such a plan will enable the person who is striving to achieve pride ownership of his own home to go ahead and buy a house instead of having to pay high rent for a long period of time and not being able to save the money for a downpayment on a home. I hope this suggestion will be given consideration. I have talked to the Minister of Public Works (Mr. Green) and he assures me that he will look into it.

Hamilton has a very large harbour of which we are all proud. It is the third largest tonnage harbour in Canada. We are very grateful to the government for the assistance that it has given since coming into power. The government is going to build a $4\frac{1}{2}$ million lift bridge over the entrance to our harbour which will facilitate greatly the passage of ocean-going ships. We were quite worried that if such a step were not taken one of these large ships entering the harbour might knock down the railway swing bridge across the harbour entrance and block the passage for shipping, thus crippling the economy of Hamilton. The government's foresight in the proposed lending of $4,100,000 to the harbour commission of Hamilton will enable the commission to build proper docks and other facilities to cope with the tremendous development that will take place in my riding as the result of the completion of the seaway.

I should like to say at this time that I am here to represent all the people of my riding. I do not propose to make a lengthy speech because I am not capable of doing so at present. But if I should feel at any time that the privileges and rights of the people of my riding are being infringed upon I shall be here to say so. I am very glad indeed that in our strong Conservative party the grass is very close to the brass and that in our caucuses we are allowed to talk freely and express our opinions. With the co-operation we are getting now I believe that in the next election, whether it takes place early or late, the people of Canada will know that our policy for Canada embraces national development, organized immigration and a general development program which I think Canada has been needing for a long time.

I do not want to end my remarks without saying something that I believe should be said. I believe that a true parliamentarian is one who represents his riding faithfully. He is the one who alone can judge himself and when I reach the age of some of the members in the house I should like to be proud of the fact, whether I am here for one month, two months, or 10 or 15 years, that I have tried to serve Canada and the people of my riding effectively and that my children will be able to say that I tried to do a good job.

Mr. W. H. McMillan (Welland): Mr. Speaker, I should like to congratulate you and the Deputy Speaker on your high appointments. I feel sure that you are both fine and honourable men and will conduct the affairs of the house in keeping with the British parliamentary system. I want to congratulate the Prime Minister (Mr. Diefenbaker) on his selection of the two members who moved and seconded the address in reply to the speech from the throne. I think they both did well although I do not think they can expect me to agree with them fully. Nevertheless they expressed their views and their views, taken with the views of all other members of the house, go to help to create good government for the people of Canada.

I listened with great interest to the speaker who has just taken his seat. I do not want to deal today with anything mentioned in the speech from the throne. I want to take up the effect the operation of the St. Lawrence seaway may have upon our district, particularly the Welland canal district, Hamilton and Toronto. The hon. member said that he is free to bring up matters in caucus and I would be very glad to have him raise this one there.

The St. Lawrence seaway authority and its counterpart in the United States have held hearings in preparation for an agreement for the imposition of tolls on vessels and cargos that will be using the St. Lawrence seaway when completed and the Welland ship canal.

As members of parliament we should be interested in the cost of vessel operation in so far as tolls will add to the cost of transporting cargoes and we should consider what effect this will have on industry, agriculture and trade and commerce in general. We should be interested in the shipping industry itself which employs thousands of Canadians as seamen as well as many others as shipbuilders and suppliers. We should also be interested in the welfare of Canadians generally.

I have often read that 40 per cent of our workmen depend for their livelihood on our foreign trade. I am sure that the prosperity of Canada as a whole depends in large measure on the continuing expansion of our foreign trade. We have two main outlets for foreign trade outside of Canada. On the west coast we have Vancouver and Prince Rupert and through these ports our goods go to the Far East. Then we have the St. Lawrence river and the great lakes basin which is Canada's single great trade route to Europe. Much of our trade with the United States and in Canada itself is along and across this route.

Water transportation in this area is called the most economical transportation system in the world and because of its economy it has been greatly responsible for building up our country. It has helped our farmers to market their wheat in highly competitive markets even though that wheat is grown thousands of miles from the seaboard. It helps our industries to assemble raw materials and to sell their finished products into highly competitive markets.

Today this system of water transportation is becoming even more important to Canada because of the prospect of shipping large quantities of iron ore from Labrador and Quebec to United States and Canadian mills on the shores of the great lakes. Some plants in Toronto and Hamilton and on the Welland canal are unfavourably situated as far as tolls are concerned since most of their waterborne raw materials must pass through some part of the toll system. This is particularly true of the Steel Company of Canada in Hamilton. I am told that it takes nearly 3½ tons of raw material to make one ton of iron which means that the Steel Company of Canada would have to pay tolls on approximately 3½ tons of raw material in order to get one ton of the finished product. In my opinion this puts the Steel Company of Canada in an unfavourable competitive position with other steel companies, for example, the companies in Cleveland which get ore from the shores of lake Superior free of any toll charges.

I read over the bill authorizing the St. Lawrence seaway authority to charge tolls and to cover operational costs of the St. Lawrence seaway and the Welland canal. This bill received the support of all parties in this house and was passed in December, 1951. There was no division on any reading or committee stage of the bill. About the only opposition that occurred at the time was the statement that this bill was being passed as window dressing to help the Ontario government develop hydroelectric projects along the St. Lawrence river.

The transition from the use of smaller canal boats to the larger carriers is bound to take a considerable time. It will be during this period, before we reach the maximum tonnages likely to use the canal, that amortization costs per ton will be the highest unless the government can make some satisfactory arrangement with the United States government. Our government should not lose sight of the fact that because of completely different circumstances in our two countries, the United States government will probably approach this question from a different point of view than our government. We must not forget that except on the great lakes themselves the United States has no similar restrictions on the flow of their goods to foreign markets. Their wheat goes down the Mississippi to the gulf of Mexico by means of pusher units. A good many of their industries are located close to coastal ports or at least have easy access to coastal ports by sending ships down rivers. We must not forget either that the United States has a very large domestic market and does not depend to the same extent as Canada on foreign trade.

The St. Lawrence seaway is not such a major factor in the economy of the United States. If the tolls on the seaway are too high the United States has alternative water and other routes to carry its commerce. For instance, in the lake Erie and lake Ontario area some commerce can be sent through the Erie canal. In the Chicago area ships can be sent down through the Mississippi.

I feel the government should remember also that the railway interests of the United States, who opposed the seaway for so long, would have a financial interest in keeping the tolls as high as possible. If the tolls are too high a large amount of United States tonnage that would otherwise use our canal system will be diverted to other cheaper routes. The shipping of commodities will become cheaper after the completion of the seaway only because larger carriers will be used. Consideration should be given to those plants that cannot make use of larger carriers, as this will add materially to their costs. We have several such plants along

the Welland canal, in Port Colborne, Welland and Thorold. There may be some such plants in Toronto, Hamilton and Kingston.

In most instances the docks are short and not adapted to the servicing of water carriers of any greater length than those now used. Some of the companies bringing in raw materials cannot make any greater physical use of the waterway by employing larger carriers. An example of this would be the paper mills. At the present time they load pulpwood at the mouths of rivers and it would not be economic for them to build larger, more expensive docks or to deepen the channels to service deeper draft vessels. The cutting of pulpwood is a depleting process, and the amount that can be floated down each river is limited. Many of our companies settled along the Welland ship canal because of the close proximity of hydroelectric power at Niagara falls. They were confident in their belief in the continuous free use of our international waterways because of a treaty between Canada and the United States relating to boundary waters dated January 11, 1909. The two countries solemnly covenanted that:

> Navigation on all boundary waters shall forever continue free and open for the purposes of commerce to the inhabitants and the ships—of both countries.

I do not suppose for a moment that implied that if canals had to be enlarged they would necessarily be toll free. I can remember ten years ago hearing a man interested in shipping quote from this passage in an argument that shipping along our great lake system would always continue to be toll free. Now the advantage of proximity to electric power is gone because of the standardization of rates in Ontario. As a result of this Niagara power is the same price at Windsor, 250 miles away, as it is in Niagara Falls itself. In other words, the users at Niagara Falls pay some of the transmission costs to Windsor and other centres.

If we have the application of tolls on the seaway and the Welland canal there will be an adverse effect on the production costs of our Welland canal industries as well as those in Hamilton and Toronto. We have cement, flour and nickel plants at Port Colborne. At Welland we have a steel plant, tube mills and a chemical works, all of which use the canal. At Thorold and Merritton we have the paper mills and in Grantham we have the General Motors plant. Many of these companies use coal that comes in by boat, so the price of the coal and all the other raw materials would naturally be increased by the extent of the toll.

I should like to go into some detail in connection with the Ontario Paper Company at Thorold. This company has 1,200 employees and an annual payroll of $8 million. They have wood-preparing plants and research facilities in Ontario. In addition, the Ontario Paper Company owns a plant at Baie Comeau in Quebec on the north shore of the St. Lawrence river, where it has its own power and wood-preparing plants. The company also owns a fleet of eleven ships engaged in transporting not only its own products but general commerce as well. Altogether this company has 7,910 permanent and seasonal employees, with a total annual payroll of $25,700,000. Its total production amounts to over $60 million of which $58 million was exported to the United States, and this is equivalent to 2.3 per cent of Canada's total exports to that country.

The Ontario Paper Company has always treated labour most fairly. I think this company's contribution and that of its top executives is a fine example of responsible Canadian industry. This company presented a brief to the tolls committee of the St. Lawrence seaway authority not long ago. I wish to quote part of this brief as follows:

> The locational advantage of proximity to its power source is now being threatened if the Ontario Hydro Electric Power Commission carries out its policy of applying power rates on a system-wide basis rather than based on cost of transmission of power from close sources. If, in addition, a burden of $800,000 per year for tolls upon its traffic is superimposed upon it, it could be the means of forcing the location into an untenable position, thus forcing consideration of either abandonment or relocating its manufacturing equipment to a location where we have our own power facilities and avoiding the burden of tolls.

If the Ontario Paper Company finds that it is necessary to relocate because of these extra burdens, that is their higher cost of power and the proposed seaway tolls, it will be a tremendous loss to the Niagara district and to the province of Ontario. I cannot think that this government or any tolls committee would want to see this happen. The building of the waterway will not in any way add to the economy of this company's operations.

When I look at the map of the great lakes and contemplate the large tonnages of iron ore, wheat, and pulpwood that will be loaded on its shores, I cannot help but think that the great bulk of it destined for United States ports will stop short of the tollage area, while our wheat and other exports are obliged to go through the tollage area. I hope that the great bulk of the iron ore tonnage from Seven Islands and from Labrador will go through the canal system and help to keep down the tollage amortization cost. Even here I have some doubts.

Many will argue that the users should pay for the canal in full. As the member for Welland I would agree to this proposition if there was any economy added to the operation of our plants by virtue of deepening the Welland canal. On account of an unfair toll system being applied I do not want to see any plants closed down or their operations curtailed. This would mean unemployment. If the price of skelp, for instance, from the Steel Company of Canada at Hamilton should be increased until it is too high in price to the tube mills in Welland it could be that the United States would supply more of our Canadian pipe requirements and thus cause unemployment in the tube mills as well as in the steel mill at Hamilton.

In any case I think the Welland canal should not be put in the same category as the St. Lawrence seaway itself. The Canadian government did not impose tolls after rebuilding and enlarging it. The canal was conceived in order to have a more closely knit Canadian economy. The maritimes now ship paper and some other products through the Welland ship canal. The other day in Hamilton, according to the press, the Minister of Transport (Mr. Hees) said that Nova Scotia coal would compete with United States coal and be used in Hamilton. I sincerely hope that he is right. I wonder, however, if when he made that statement he gave consideration to the fact that Pennsylvania coal could be railed to nearby Rochester and shipped to all Canadian ports on lake Ontario, including Hamilton, without paying any toll whatsoever.

There are so many problems in connection with the application of tolls that I feel that this government will have to be extremely careful in setting up toll charges that they do not dislocate any part of our economy and make ourselves even less of a factor in the processing of our own raw materials.

The one big danger of setting tolls too high is that the seaway canal system might price itself out of the market against competitive carrier systems in eastern United States so far as our iron ore from Seven Islands and Labrador is concerned. As Canadians we would not be concerned if tolls were free and this ore went by another route because then we would have fewer local problems with canal traffic. However, if this happened with the proposed system—that is the system of tollage that we are about to set up—we would fail to collect canal tollage on a good or major part of our own iron ore destined for United States steel centres. In my opinion our ore should help to pay for the canals. If it does not assume a large share of canal costs, then our wheat, our pulpwood and other commodities will have to pay more per ton to go through the canals in order to meet the yearly amortization costs.

As a private member I should like to make some suggestions for the consideration of this government. I suggest that tolls be delayed until the larger seaway tonnages are established, and I do not think the seaway tonnages can be established until the deepening of the upper lake channel starting at the Detroit river and all the way up to lake Superior is completed. At least they cannot be established fully.

My second suggestion is that consideration be given to plants already established on our great lakes system whose raw or finished products or both are caught in the tollage areas. Few United States plants are so unfavourably situated; and if they are, they have competitive routes, since the cost of the deepening of the Detroit, the St. Clair and the St. Mary's rivers is not to be charged directly against shipping. I also suggest that in the transition period smaller canal freighters be given special consideration until an opportunity is given for the building of larger freighters and that consideration be continued to be given to the smaller freighters because of the difficulty or impossibility of using larger ones at the source of raw materials.

The amortization costs are made up of the cost of the seaway plus interest plus operational charges. This will amount to a large sum of money every year. It is my honest opinion, having in mind the increased cost of the seaway over the estimated cost, that shipping cannot stand this in full. For instance, there are about 23 million tons going through the seaway. It would take $28 million or close to that figure to pay those charges. That would be well over a dollar a ton. Of course I realize that the shipping through this canal will greatly increase and thus will bring down these charges. On the other hand, I do not think anyone knows what is the physical capacity of the Welland and the seaway canals.

As one measure of relief why should not the governments themselves operate and maintain the canals as our government has done for the last 50 years? If our government does not continue to assume this obligation it will be saving a good deal of money over what is now being spent on the canals.

One good argument in favour of both governments assuming some of the costs of these canals is that it was argued here in this House and in the United States that these canals were required for the defence of both our countries and certainly that would have very little to do with shipping.

One last suggestion is that the Welland canal should continue with the charges as now paid for the passage of ships. After all its deepening will cost only about one-twelfth of the cost of the deepening of the upper lake channels. I realize that as canal traffic increases certainly the per-ton costs will come down. I hope that rates will be worked out to agree with the terms laid down by the United States congress in which they said the rates should be fair and equitable and give due consideration to the encouragement of an increased utilization of navigational facilities.

Now the other day the hon. Minister of Transport was shown over the Welland canal by the St. Lawrence seaway authorities and my good friend the hon. member for Lincoln (Mr. Smith) and I were asked by the minister's office here in Ottawa to join the party. I do not think there is anything controversial in this as the minister is not here. The officials drove the minister so fast through the area that we who were riding in other cars had no opportunity to show him some of our local problems in that area, and certainly we have some problems. We have the need of overpasses or underpasses in two or three areas on the canal and we have that old problem, the old Welland canal cleanup. There is a good deal of congestion of traffic on the highway in the Niagara peninsula crossing the Welland canal and this traffic is particularly bad in Welland, Port Colborne and on the Homer bridge on the Queen Elizabeth way near St. Catharines. The mayor of Welland was here in Ottawa and he saw the former minister of transport who directed him to take his problems to the minister of highways of Ontario, promising that if that minister would make some recommendations regarding the crossing of the canal at Welland he would be glad to recommend financial assistance from this government in Ottawa. That was before the election. I know the minister of highways for Ontario was approached and I was sorry to learn in the question period last Friday, October 18, that he had not yet approached the new Minister of Transport with regard to this matter.

It is rumoured that as soon as the St. Lawrence and the Welland canals are completed their operation will be handed over to the St. Lawrence seaway authority. In the past the canals have been run very efficiently under all governments, either under the Department of Transport or the department of railways and canals. The canals have been staffed very efficiently with men who have the know-how. To turn the operation of these canals over to an authority which would not have the same or as direct responsibility to parliament would, in my mind, be very unwise.

I would just like to make one reference to another point. When I was home last weekend I heard a good deal of talk about unemployment. I met some heads of industry who claimed that they were getting no economic directives from this government. Now I think we all remember that early in the session the former minister of trade and commerce always gave the house and the country his idea of our economic outlook. On the change of government, with the talk of free trade with Britain and so forth, I think it is up to the present Minister of Trade and Commerce (Mr. Churchill) to get up and tell this house what the country, industry and the people should expect. Some heads of industry are losing confidence in this government, in fact I may say some heads of industry who supported this government are now losing confidence in it. The wholesalers are not building up inventories and I think this tends to cause unemployment.

I listened to the Minister of Trade and Commerce during a television interview when he was in London speaking about the sale of wheat. As far as I can remember he said the sale of wheat was a long-term view. I think I am right in repeating his words. Also he said he had seen the bankers, the buyers and the bakers. In my view he might just as well have seen the butchers and the candlestick makers, because he did not seem to sell any wheat while he was in Britain. A day or two after that I saw a dispatch from London to the effect that England had bought a large shipment of wheat from the United States. I do think the people of Canada deserve to have an economic report on our prospects of trade at this time.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, as I rise in my place for the first time in this house it is with all humility that I deliver this reply to Her Majesty's speech from the throne. Before I start I would like to tell you that I have just come through a bout of flu and still have a persistent cough which is troubling me. So if I am interrupted by this cough I ask you to forgive me. I do not intend to use all of the time allotted to me because I do not believe my voice will carry me that far and of course there will be many things which I would like to discuss but, for this reason, I cannot do so.

First, and again in all humility and seriousness, allow me to congratulate the Speaker on his election to the high and exacting position as Speaker of this house. I should like also to congratulate the senior members of our Social Credit group and particularly our

leader for their achievements in returning a colleague to every seat occupied by our party prior to the last election.

While it may not be customary, but because I like to give credit where credit is due, allow me to congratulate the Right Hon. the Prime Minister (Mr. Diefenbaker) for the success of his party on June 10th, which I believe is largely due to his own personal effort.

Mr. Speaker, the experience I have had and the events I have witnessed here in Ottawa during the past few days are ones I shall never forget, and I would like to express my appreciation to the electors of the Medicine Hat and surrounding districts for having seen fit to send me as their representative to these history making events. My respect, my admiration and my loyalty are on an even higher plane, if that is possible, for Her Majesty and His Royal Highness now that I have come in closer contact with them. May I also extend my sincere congratulations to the mover (Mr. Smith, Calgary South) and the seconder (Mr. Arsenault) of the reply to the speech from the throne and to the Prime Minister for his choice.

As you will all know, I can deeply appreciate the words of the hon. member for Calgary South when he spoke of the terror and the subsequent reduction to straight fear in the hearts of new members when they are in the position in which I now find myself. I beg to advise the house that if he was gripped with these emotions then I am even more their victim not having behind me the valued and distinguished service in the provincial legislature it was his good fortune to have had.

It is also of particular interest to me that the Prime Minister has seen fit to recognize the ability of all his colleagues from Alberta, the hon. member for Calgary North (Mr. Harkness), now our Minister of Agriculture; the hon. member for Edmonton West (Mr. Lambert) who is parliamentary assistant to the Minister of National Defence; and the hon. member for Calgary South to whom was given the honour of moving the address in reply to the speech from the throne. I congratulate all of them.

Since Tuesday October 15, when the Prime Minister announced that the governor in council had established a royal commission to enquire into and make recommendations concerning energy and sources of energy, it has been difficult for me to believe that this commission could do the best job possible without a representative from the province of Alberta when we know that a large percentage of the known sources of energy such as natural gas, coal and oil are found there. Many of Canada's important rivers rise in Alberta and I do not think it presumptuous to suggest that possibly many of the most efficient hydro sites may be located in that province where the elevation drops sharply to the east.

Perhaps I may refer again to the words of the hon. member for Calgary South when he informed this house of the fact that the Alberta government has already assessed its resources and as a consequence was able to develop policies for conservation—and I might add utilization—which have been in the interest of the people as a whole. I quite honestly believe that even though this information may be available, a representative of the people who prepared it could make an invaluable contribution to the commission.

We in Alberta are perhaps more interested in developing the sources of energy than in ascertaining where they are. In that regard I would like to read a part of an editorial taken from *The Albertan* of October 16, 1957:

> So far as oil and gas are concerned, there's a mountain of evidence. The Alberta conservation board, more competent and more in tune with Alberta's interests than is the Diefenbaker royal commission, has conducted several formal investigations and keeps a constant watch on all phases of the industry.
>
> Now all that will be explored again, and not only for oil and gas but for all energy sources, coal, hydro power, atomic energy and so on.
>
> We aren't opposed to facts being ascertained, but we suspect the purpose of this move is to becloud facts, not uncover them, and the prime fact is the need for getting on with development of Alberta's oil and gas. A commission on how to reach additional markets might have been welcomed by this province, but not one that puts an extra barrier in the way.

I do not agree with all of the opinions expressed in the editorial but the reason I read it is that it is my sincere hope that the commission will not be a barrier to the development of those resources that are already known.

I am primarily interested in my own constituency and as it is customary for a new member to talk about his constituency let me first of all say that while many of the things I will talk about may possibly be familiar to the older members there may be some of the new members who are not as well informed as to the problems, conditions, etc. in southeast Alberta as indeed I am unfamiliar with many of the constituencies in other parts of Canada.

The constituency of Medicine Hat is a large prairie area consisting of some 365 townships and the people are chiefly engaged in agriculture, growing a wide variety of foodstuffs, cereals, sugar beets and many other crops suitable to dry land and irrigated farming, and in raising livestock. There is, however, a highly important industrial centre in the city of Medicine Hat and also at Redcliff and of

course there is a concentration of industrial workers there who man the plants. One of the most serious handicaps to these industries is the extremely high cost of transportation of their products to the markets and because of this I would urge the new government to give consideration to the adjustment of the unfavourable freight rates to and from Alberta. Of course the workers in these industrial areas have many problems that are peculiar to themselves but by and large their well-being is dependent on the well-being of agriculture in the west in general.

I would also like to point out at this time that in the city of Medicine Hat we have a need for a new federal building. At the present time the offices of the various departments of the federal government are scattered all across the city and some of them, I may say, are not even located in the downtown section. The post office is virtually bursting at the seams. I would ask the Minister of Public Works (Mr. Green) if he would seriously consider the erection of a building in the centre of the city to house all of the offices of the federal government under one roof.

One other thing in the city of Medicine Hat which is a concern of the federal government is the airport. At the present time the facilities at the Medicine Hat airport are such that many of the aircraft the air lines are using cannot touch down there. For example, only last month when the chamber of commerce of Edmonton was going to pay us a visit they arrived in a Viscount and were required to land at Suffield some 35 miles away. We would appreciate if the Minister of Transport (Mr. Hees) would consider enlarging our airport to accommodate this type of aircraft.

Turning back to agriculture now, Mr. Speaker, it is needless for me to say we are keenly interested in the proposal of advancing money to farmers for farm-stored grain. I will not dwell on the point which so many hon. members have ably discussed, that being the fact that the farmers are far more interested in selling their wheat and moving it into the hands and stomachs of hungry people all over the world than they are in receiving advance payments, subsidies or anything of that nature. Of course, as we do not know as yet all the details of the proposed machinery for advancing this money I will leave that for comment at a later date.

The farmers in my constituency wish to commend the Minister of Trade and Commerce (Mr. Churchill) for his efforts in organizing trade delegations. We do not know as yet how much favourable effect this has had in building up markets for wheat but certainly we have something to sell and I believe some genuine salesmanship is necessary to move our wheat in this age of highly competitive international markets. I would also like to suggest that when they make up this trade delegation they put some professional salesmen on it.

There are one or two other things about cereals and cereal production which may not have received proper consideration. I have read press reports in which prominent men have indicated that the major contributing factor leading up to the present surplus of cereals is the series of big crops due to abnormal weather. There have also been suggestions that a return to normal would relieve the situation. Certainly I will have to agree with part of this opinion. However, this year, 1957, has pointed up one thing that many farmers have been coming to believe and I feel that we may as well be realistic and recognize the fact that today we can and do produce far larger yields, given the same amount of precipitation during the growing season, than we could 10 to 15 years ago.

This, of course, has been brought about by several things, more know-how, new and better methods, new and better equipment, particularly in moisture conservation from one year to the next. There are other things, too, such as new varieties of grain and many other factors. This year, for example, 15 to 20 bushel crops of wheat were not uncommon where there was but one to two inches of rainfall during the growing season. This, of course, would have been impossible 15 years ago. The significance of this development is that I now believe the dry land areas in western Canada can produce all of the domestic and export market requirements of cereal grains in the immediate future; indeed, until there is some plan put into operation whereby we can share our production with those parts of the world that cannot produce enough for themselves.

The cost of production of crops, particularly cereals, which are adapted to dry-land farming is substantially lower than on irrigated land. For this reason I think that when there are suggestions to build new irrigation projects and bring more land under the ditch there must also be serious consideration given to what the people farming this land will try to grow. The farmers in my constituency who are trying to grow dry-land crops on irrigated acres in competition with the lower cost operation of dry-land farming are the ones who are now in the most serious difficulty.

We certainly do not take the dog-in-the-manger attitude towards new development

of irrigation projects because we already have these projects in operation. We do not object to hydro development, but—and I emphasize this—two or more farmers in serious economic difficulty is a worse situation than one who is doing fairly well farming the same land.

Unless and until we can set up ways of marketing or distributing the products particularly adapted to irrigated farming, and until the acres now under the ditch are being utilized, I think we should proceed with caution with any new projects. To this end, Mr. Speaker, I would like to suggest to the new government that they seriously consider giving assistance to establishing this distributing machinery.

We know that southern Alberta now has acreage under irrigation with the capacity to produce thousands of tons of specialized crops and we also know that there are thousands of tons of products being imported from the United States, which could be grown in south Alberta, especially vegetable crops. I have several briefs prepared by an official of the provincial government and various chambers of commerce to substantiate these statements.

In viewing the whole picture of irrigation, it becomes apparent that we already have the potential productive capacity and also the markets, but there is a link missing, that of processing and distributing. The farmers cannot start growing certain crops until there is a plant to process them, and it is difficult to interest anyone in building the plants until the crops are being grown. Now I am not suggesting that the government should get into the business of processing and distributing vegetables; but I do believe they should underwrite the financing of these plants, preferably producer co-operative efforts.

The speech from the throne indicates that there will be increases in old age and other pensions. This I wholeheartedly endorse. I only hope they are large enough to compensate for the increased cost of living during the last number of years.

Now, Mr. Speaker, the members of this house have been very kind and considerate to me as a new member and before sitting down I would like to make one or two observations on the debates thus far in the house. Many references have been made to what certain hon. members of the government, particularly cabinet ministers, said in the past sessions prior to the last election. This appears to me to be a kind of negative criticism which I do not believe the Canadian people will approve of. On the other hand, some of the hon. members on the government side apparently have a chip on their shoulders, and have taken the attitude of daring the opposition parties to defeat them. They apparently feel the tide is running in favour of the Conservative party. They may do well to bear in mind what the electors did to the Liberal party last June which was contrary to all predictions.

Mr. Speaker, the Canadian people have sent a group of minority parties here to administer their affairs. They are looking for a high degree of statesmanship rather than political manoeuvring. Anyone, and I care not from which side of the house he comes, who attempts to manoeuvre for political advantage only, who obstructs solely to obstruct, who criticizes without a constructive thought, will have to answer to the people, and I am sure that these members will be severely rebuked by the electors.

If members of the government do not mind I would like to offer a suggestion. There is a far more effective way to deal with some of the front-benchers of the official opposition while they are jockeying for position in the race for leadership of the Liberal party and that suggestion, sir, is to kill them with kindness.

Miss Margaret Aitken (York-Humber): Mr. Speaker, may I first congratulate you and the Deputy Speaker on the high position that you now grace in Canada's 23rd parliament. To the mover (Mr. Smith, Calgary South) and the seconder (Mr. Arsenault) I would just like to say a heartfelt "well done". I am quite sure that the constituencies of Calgary South and Bonaventure will be very proud of you. I think your ability in the house, your dignity and fluency will make a great contribution to this chamber and to Canada.

A great deal of verbal sparring has been going on in parliament, Mr. Speaker, since we convened about a fortnight ago, and I think this is as it should be. Parliament is a place for talk; it is a place for airing opinions, but I am not going to contribute to that verbal sparring today because I find myself in a singularly benign mood.

One reason for this is the throne speech which promises to bring about so many of those things that should have been brought about long before this. Ever since coming into the House of Commons I have worked for and raised my voice on behalf of those senior citizens in my constituency of York-Humber who have been trying to live on their old age pensions. They are a gallant, uncomplaining group of people and they have made no small contribution to the progress and prosperity of Canada today.

Rising costs of living have visited very real hardship upon these pensioners, in fact, upon all pensioners, and I do commend the government for its promise to improve the lot of the senior citizens in our community and for the promise of increased payments under the Old Age Assistance Act, the Blind Persons Act and the Disabled Persons Act.

I also find myself in a happy frame of mind over the government's promise to shorten the qualifying period of residence for old age pensioners. As has been said in the house many times, to set 20 years arbitrarily as the necessary period of residence before receiving the old age pension is, it seems to me, to establish a second-class citizenship. If a man or woman meets the qualifications to become a citizen of Canada, then surely the benefits that we are able to bestow upon Canadians are theirs by right long before two decades.

Finally, there was that tantalizing little sentence in the throne speech, "Changes in certain of the taxing statutes will be submitted for your approval." I do not know just what the Minister of Finance (Mr. Fleming) has in mind but I should like to say this. In Canada today there are more than 2½ million persons earning less than $4,000 a year, or about 77 per cent of the taxpayers. They are the people who need and deserve some relief from taxation because as it is with pensioners on fixed incomes so it is with the lower income bracket Canadian. The increased cost of living has played havoc with his budget. Again I am speaking on behalf of a good many of my constituents in York-Humber which is a suburban riding and full of young people just starting out on their careers. They are finding the taxation burden very heavy indeed.

These are some of the things in the throne speech that have contributed to my benign mood these days. Now I come to something less tangible but equally important. This something has filled my heart and mind with a profound gratefulness for Canada and for being a Canadian. This summer I went on a sort of busman's holiday which took me behind the iron curtain into Russia. I call it a busman's holiday because I did not go in any official or even professional capacity. I was not invited to go. I simply went on my own as a tourist because I wanted to see with my own eyes that puzzling and menacing country on the other side of the iron curtain.

I went, I saw and I came home thanking God for this beautiful land of freedom, for our parliamentary system where the people choose their government and we who are given the honour to serve in parliament answer to the people, not, Mr. Speaker, to a power-hungry group of 15 people in an ivory tower called the kremlin.

Last year we of the Conservative party put up a strong fight for what we believed were the rights of parliament. We believed that parliament was being gagged by closure. We could not and did not win that good fight because there was a large parliamentary majority against us. But, Mr. Speaker, under our system of government it is not in the end parliamentary majorities that decide great or small issues, it is the people. This could not happen in Russia or in any communist country.

In the throne speech Her Majesty spoke of our parliamentary government as having been fashioned by the wisdom of many centuries. Russia's system is founded on fear. Some years ago the Right Hon. Sir Winston Churchill described our parliamentary system in his own inimitable way when he said:

> By trial and error and perseverance through the centuries, we have found a very good plan.

During the past fortnight we have seen how that very good plan works in response to the voice of the people. The other day the Leader of the Opposition (Mr. St. Laurent) spoke of the ease and smoothness with which this change of government was accomplished. The Prime Minister (Mr. Diefenbaker) referred to it also when he said that it illustrated the concept of true democracy.

My sortie behind the iron curtain, Mr. Speaker, has given me an even greater appreciation of this concept of true democracy. When the people choose to elect a new government former leaders are not purged or banished to Outer Mongolia. Fear does not burn deep into the hearts and minds of those who did the opposing. In our very good plan we move with ease and smoothness to fulfil the wishes of the people. The former opposition becomes Her Majesty's government and the former government becomes Her Majesty's loyal opposition.

I am not going to hold forth on my trip to the U.S.S.R. except to say that in that country behind the iron curtain there are none of the freedoms that we cherish. There is no freedom of speech, no freedom of the press, no freedom of privacy. I think one of the things that shocked me most in Russia was the dreadful overcrowding in housing. There is no freedom of choice. Certainly there is freedom to work. Everybody works, men and women, but they have no choice of a job. A job is allocated to them. There is no freedom of movement. Even within Russia itself the people cannot travel at will. As the Russians have told us, and it is true, there is freedom of religion, but religion is

not a menace any longer to communism because in 30 years religion has been wiped out in Russia. Today all the young adults in that country are declared atheists.

Communism reduces people and living to the lowest denominator. It is absolutely incomprehensible to me how any Canadian with any spiritual values whatsoever can look with favour upon or even tolerate communism. It is incomprehensible to me how any Canadian labour union can allow communist domination within its ranks. Russian labour has none of the hard-won rights to bargain, to strike, to negotiate for higher pay and shorter hours, such as Canadian labour has.

Mr. Speaker, I just wanted to say these few words, and in conclusion I say to every member in this house, let us guard well the very good plan that our forefathers have evolved through the centuries by trial, error and perseverance.

(Translation):

Mr. H. J. Robichaud (Gloucester): Mr. Deputy Speaker, before proceeding with my remarks on the address in reply to the speech from the throne, I should like to join with those who preceded me in this debate in offering you my most sincere congratulations on having been elected to the chairmanship of the committees of this house.

And through you, also, I would like to offer my most sincere and heartfelt congratulations to Mr. Speaker on his appointment. I am sure that he will at all times uphold the finest traditions of democracy and of the British parliamentary system.

I would also like to congratulate the mover and the seconder of the address in reply, who have both acquitted themselves of their task, in a masterful way, a fact which reflects credit on their respective constituencies.

I would deserve censure, Mr. Speaker, if I were not to recall briefly the memorable moments we have all lived through during the solemn ceremonies which took place on the opening of this session. Through her presence, Her Majesty has most assuredly imparted to the opening ceremonies a character as yet unique in all Canadian history.

As a result, the colourful ceremonial and ritual observed on the opening of a new session of parliament will become better known and better appreciated. As for those of us who are of French-Canadian or Acadian descent, that is of French origin, we have been deeply moved by the words spoken by Her Majesty in our native tongue.

True, Her Majesty had a right to expect the Canadian people to express their feelings towards her as they did, but we must also recognize that the grace, charm and ease with which Her Majesty the Queen addressed us in the two official languages of this country should be such as to provoke some soul-searching on the part of those sitting on the other side of this house who unfortunately are far too prone to neglect those principles of national unity so essential to the progress and advancement of the Canadian nation.

(Text):

In the few minutes at my disposal, Mr. Speaker, I should like to deal briefly with the contents of the speech from the throne. If we are to judge from certain press reports the present government, perhaps I should say the members of the present government, are very sensitive to criticism. For instance, in the *Globe and Mail* of Saturday, October 19, we read the following:

> Conservative members in and out of Commons are talking about the possibility of a snap election unless cutting attacks which have been followed by the all-but-unanimous vote in favour of the government are toned down.

Here we are in the House of Commons, facing a government which pretends to be not quite immune to attack and criticism. I am not at all surprised at the Prime Minister's (Mr. Diefenbaker) announcement that a bill will be introduced at this session to abolish closure, a measure which is so commonly used in the British parliament. Is it possible that the present government, not satisfied with the criticism offered by Her Majesty's official opposition and not being in a position to apply this parliamentary procedure which is so essential to the protection of the will of the majority will counter-attack by saying, "If you do not stop or cut down your attacks we will dissolve parliament and call an immediate election." What a situation to exist in a progressive country like Canada, a country which so proudly pretends to be an example of freedom and democracy.

Mr. Speaker, as long as I am sitting in this chamber as a member of parliament I have a duty to my constituents to defend their rights and interests. It is not my intention to follow the practice of certain opposition members in the last parliament and call cabinet ministers by unparliamentary names, or to act in such an unparliamentary manner that it could result in Mr. Speaker failing to recognize me when I am asking for the floor. I do not intend to do this, Mr. Speaker, even if those unparliamentary practices of certain members met with the approval of the Prime Minister when he was acting as leader of the official opposition. It is my intention to offer constructive criticism as I feel that is the duty of the official opposition in this house.

The announcement made by the Prime Minister, as reported in the *Telegraph-Journal* of Friday, September 27, that Ottawa was ready to spend $3.5 million on a major harbour development at Bathurst, in my constituency, was received with great satisfaction by the entire population of Gloucester county. It is true that the project has been approved, conditional upon the New Brunswick Mining and Smelting Corporation Limited going ahead with plans for a further $20 million development of its property in this area. I should like to point out, however, that a decision of this kind is not taken even three or four months after a new government has taken office. A decision of this kind is too important, even for the present government, to take quickly and decisively without study. The engineers of the Department of Public Works had been carrying on experiments for the last two years to determine the possibility of such a major project. No later than April 16 last the then minister of public works, the Hon. Robert Winters, the manager of the mining company and myself visited the site of the proposed project and thoroughly discussed the possibility.

I want to commend the Prime Minister and his Minister of Public Works (Mr. Green) upon their decision to proceed with this development as soon as the mining company is prepared to go ahead with its own plans for expansion. I would remind the Minister of Public Works, however, that the announcement made no mention of the public wharf to be built on the south side of the company's main wharf. The need for a suitable wharf to provide adequate shipping facilities for our local industries is urgent in the Bathurst area. I sincerely hope that this request will be recognized and that the department will undertake this major project.

On Wednesday, October 16, I asked the Minister of Public Works the following question, as reported on page 36 of *Hansard* for that date:

> Can the minister advise this house whether he has received a copy of a resolution dealing with low cost housing passed by the National Retail Lumbermen's Council of Canada at their eleventh annual meeting held at Clear Lake, Manitoba, in September of this year; and if so, what action if any has the government taken to implement the recommendations contained therein?

In his reply the minister stated that he would have to ask his department to see whether he had a copy of these recommendations. I am sure that the resolution of the National Retail Lumbermen's Council referred to in my question was of such importance to the general economy of this country, and even more so to the lumber industry, that the minister should have been in a position to refresh his memory and state at once what measures, if any, had been taken by his department to implement it. I should like at this point to place on the records of the house the contents of this resolution passed by the National Retail Lumbermen's Council of Canada at their eleventh annual meeting at Clear Lake, Manitoba, on September 11, 1957:

> Whereas it is recognized the low but stable income group of Canadians are increasingly dependent on their own manual efforts and private financing to provide low cost houses.
>
> And whereas they represent a very large portion of our population.
>
> And whereas there is a reluctance on the part of lending institutions and on the part of these citizens to assume a contract under National Housing Act regulations.
>
> And whereas many are being forced to assume obligations beyond their means to obtain accommodation commensurate with their needs and locality.
>
> And whereas the government should foster and assist the Canadian tradition of home ownership.
>
> And whereas statistics indicate there is a decreasing number of people in low and middle income brackets building under present regulations.
>
> And whereas our forefathers through their individual initiative built Canada as their funds and labour permitted.
>
> Therefore be it resolved that the government give consideration to legislation that would permit this important group of our citizens to enjoy, in proportion to their means, the borrowing privileges now available to those in the higher income group by the following:
>
> 1. Down payment to be considered on the basis of lot and/or foundations and owner labour.
> 2. Amount of mortgage to be determined by the bare minimum living standards required by the borrower, all such building as may be done to conform to a recognized standard.
> 3. Home to be completed as owners' funds permit with inspection and valuation carried out through present Central Mortgage and Housing Corporation inspectors, Veterans Land Act inspectors, mortgage and loan company inspectors, municipal building inspectors or other qualified inspectors.
> 4. This would be applicable to approved serviced or unserviced rural land.

We all heard the reply given in this house on October 16 by the Minister of Labour (Mr. Starr) to a question asked by my colleague the hon. member for Charlotte (Mr. Stuart) and dealing with the unemployment situation in New Brunswick. One of the main causes of this approximately 100 per cent increase in the number of persons registered as unemployed in New Brunswick today, as compared with the same date last year, is the unhealthy and uncertain position of our lumber and pulp and paper industries. The average home built under Central Mortgage and Housing Corporation is too expensive for the majority of the average prospective home owners in Gloucester county and in many other areas of New Brunswick. A large number of families in the $50 per week bracket have been unable to build new homes which although not

entirely up to the present Central Mortgage and Housing Corporation standards would be adequate and suitable having regard to the needs of the area without creating the possibility of additional slums which we all agree should not be incurred.

I am informed that the National Retail Lumbermen's Council has taken on its own the responsibility of building a model house which would meet the minimum standards required by this particular class of borrowers and I strongly urge the minister concerned to recommend its acceptance by Central Mortgage and Housing Corporation. Such a move involving loans of less than $4,000 or $5,000 would stimulate home construction in many sections of the country and would give new stimulus to our seriously affected lumber industry.

One of the major problems also facing the lumber industry in the Atlantic provinces is the greatly increased cost of transportation. It would appear desirable for a manufacturer in the lumber field to have his processing plant as close as possible to the source of production or to his raw material. However, this becomes rather impractical mainly on account of heavy competition and the high cost of modern plants required to meet this competition which exists in the lumber industry as well as in other similar enterprises.

In the lumber industry, for example, it is only logical that the raw material required, which in this case is green lumber, usually sawn near the cutting area, be transported from its source of origin to the drying and planing mill. There exists, as we all know, a great difference between the weight of rough product and that of the dressed product, as well as the weight between green and air-dried lumber.

Prior to the year 1951 there existed a milling in transit privilege allowing a lumber manufacturer to bring in his lumber by rail from any point in New Brunswick or Nova Scotia on a basis of reduced rates under tariff No. CF.220-2. This privilege allowed the shipment of rough lumber from points of origin on a special rate and after having been piled up in the manufacturer's yards, sometimes up to a period of two years, at which time he would get the throughrate from point of origin to ultimate destination of his finished product in effect at the time of original shipment along with refund of incoming freight, less shrinkage and stop-off.

This privilege was abolished in 1951 when the Canadian National Railways cancelled tariff CF.220-2 and replaced it by a local rate tariff known as CF.299, thus increasing the incoming rate to point of stop or manufacturing by approximately 100 per cent. This unfavourable decision by the board of transport commissioners has been seriously penalizing all planing mills east of Diamond Junction in the province of Quebec.

This most unfortunate situation has a paralysing effect on Atlantic provinces lumber manufacturers and is resulting in unavoidable increases in unemployment.

At Bathurst, in my constituency, we have one of the most modern and effective lumber manufacturing and planing mills in eastern Canada. This company alone, handling from 1,100 to 1,200 cars for a total of approximately 20 million board feet of lumber per year, is penalized to the extent of $55,000 to $60,000 per year, this amount being only approximately the increased cost on this 1951 change-over of tariff. How can a maritime industry compete under such circumstances? This most serious situation should be given immediate consideration by the government and by the board of transport commissioners.

In giving a rather ambiguous reply to the hon. member for Westmorland (Mr. Murphy), the Minister of Transport (Mr. Hees) stated, as reported at page 125 of *Hansard*, that the transportation problems in the Atlantic region are presently under serious study by the bureau of transportation economics within his own department. As this bureau falls under the direct and immediate jurisdiction of the Minister of Transport I would suggest to the minister that immediate and serious consideration be given by his officials to this transportation matter which is so vital to the economy of the Atlantic provinces. The people of Gloucester county are more interested today in finding work or employment than they are in measures dealing with social security or the passing of a bill to abolish closure.

I was pleased to hear in the speech from the throne that in order to ensure the farmers of Canada a fair share of the national income we shall be asked during the present session to enact a measure to provide greater stability in the prices of their products. I sincerely hope that when this measure is introduced before the house for consideration, it will make provision not only for farm products but also for other commodities such as lumber and natural products of the forest which are so essential and so vital and important to the economy of the farmers of eastern Canada. It is my intention to speak further on this subject at a later date.

In the speech from the throne what do we find about the products of the sea? I quote

from the speech from the throne the following paragraph dealing with our fisheries:

> My government will strive to secure additional markets for the products of our fisheries and to promote the development of international rules to safeguard the living resources of the sea.

That is a short paragraph which says very little and gives very little hope to the 70,000 employees who derive their living direct from the sea and to the thousands of workers who were employed in packaging, processing and preparing fish for market. The most important aspect of the situation and the one which deserves immediate consideration today is the price being paid to the primary producer, which in this case is the price being paid to the fisherman for his catch. I will not have time, Mr. Speaker, to deal thoroughly with this problem today but I would like to have the indulgence of the house for a moment while I deal specifically with the problems affecting a certain species of ground fish, a certain branch of the industry, that is the cod fishing branch.

Cod makes up about 60 per cent of all ground fish resources of Canada and affects a larger number of fishermen in the Atlantic area than any other type or variety of fish; indeed I would be inclined to add, a larger number of fishermen than all the other varieties of fish put together.

During the 1957 season in my own constituency of Gloucester alone the 60-odd draggers and the 200 smaller boats will land over 50 million pounds of cod which will be processed at three main landing points, Lameque, Shippegan and Caraquet. This production provides employment to hundreds of shore workers who are engaged in preparing this commodity for market. The major portion will be processed and shipped as frozen fillets while a certain proportion of the catch will be salted for drying purposes or be prepared as boneless cod.

I realize that the industry has co-operated by investing substantial capital for the construction of modern processing and cold storage plants to take care of this improved catch of ground fish which has practically tripled in the last 10 years. I realize also that the provincial governments of the Atlantic provinces have co-operated by creating a fishermen's loan board to finance the construction of the most modern fishing fleet built subject to a federal subsidy of $165 per gross ton.

Now what about the primary producer himself? What about the fisherman who is sole owner of the fishing craft that cost approximately $45,000 to $50,000 a unit. These fishermen have had a serious obligation to meet. They had to raise $5,000 or $6,000 deposit before they could take possession of their new dragger; they had to pay 4 per cent interest to the fishermen's loan board on the balance of $35,000 to $40,000 due on their boat. There is the insurance premium which will vary from $300 to $600 per year; municipal taxes which in some cases exceed $1,000 per unit; crew operating costs, fuel oil, gear, engine repairs; ice at $6 or even $8 per ton, and all the other unforeseeable expenses that a dragger owner has to meet from his five to six months' fishing period when he operates practically 24 hours a day, five or six days a week.

With all these troubles, all these obligations to meet, he has to deliver his catch at the processing plant for a price varying from 1¾ cents to 3¼ cents per pound! The point I want to bring out is this: why should there be such a discrepancy in price for the same quality of fish landed at different landing points in the Atlantic provinces. I have before me the price paid for fresh cod landed during the week of August 15 at different points along the Atlantic coast. While the fishermen of Lunenburg and Halifax were being paid 3¼ cents per pound for their small and markets and 1½ cents for their small percentage of scrod, the price at Souris was 2¼ cents for ungraded fish and at Caraquet the fishermen were receiving 2½ cents for small and markets and 1½ cents for the few scrods.

Why should there be such a discrepancy in the price for a similar product? Is it the cost of processing or an additional cost of transportation? I would believe that the Gloucester codfish dealers can compete favourably, both in processing and transportation, with any of the Nova Scotia producers. The same applies to the fish dealers in the minister's own province of Prince Edward Island. Far from my mind would be the intention of throwing blame on our local fish dealers by insinuating that they are reaping too heavy profits. On the contrary I fully understand the hazards and small margins of profit which the fishing industry is experiencing today. However, I cannot help but assert that no codfisherman, whether the owner of a dragger or the proprietor of a smaller craft, can operate successfully unless he is assured the minimum price of at least three cents per pound for his landed catch. In the spring of the year before the dragger owner of a dragger or the proprietor of a for the opening of the fishing season he should be in position to assure his fishermen that they will share in the gross revenue of the catch on a basis of at least three cents per pound throughout that particular season. Only then will these fishermen cease to operate for the benefit of the oil companies and of dealers in engine repairs and fishing

gear, as was suggested in this house by my colleague the hon. member for Charlotte (Mr. Stuart) a few days ago.

I am suggesting to the Minister of Fisheries (Mr. MacLean) that he should call without delay either a special committee of the house and the Senate or appoint a royal commission to study this most deporable situation which exists in our codfishing industry at this time. There may also be in existence too much of a price spread between the prices paid to fishermen and the one asked for by the retailers of this particular commodity. While it takes approximately three pounds of fresh cod to produce one pound of fresh or frozen fillet, the fishermen receive a total of approximately 7½ to nine cents per pound for a product which is offered in Ottawa today at a retail price of 30 to 32 cents a pound.

There is, I admit, a heavy cost involved in the processing, packaging, freezing and storage, as well as transportation but just the same the committee or commission suggested should be given ample terms of reference within which to look into all these details. The knowledge that a minimum price of three cents per pound would be assured and guaranteed at the opening of the season would reduce one of the many uncertainties that face our fishermen. There are the natural conditions which face our fisherman and which can influence his productivity but also a far too low and fluctuating price can substantially effect the total of his season's output or production.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Robichaud: Mr. Speaker, when the house arose at six o'clock I had just completed the few remarks I intended to make at this time concerning the fishing industry. However before resuming my seat I would suggest that the Minister of Fisheries take a serious look at this alarming situation which is so obvious even to the fishermen of his own province where the price of 2¼ cents is paid for cod landed at Souris compared with a price of 3¼ cents at Halifax and Lunenburg.

During the last four years the Department of Public Works has co-operated in improving landing and harbour facilities in various fishing communities in my constituency. However in two important fishing centres the facilities are still inadequate and the fishermen have to curtail or limit their operations due to lack of proper landing facilities. The proposed extension to the Blue Cove wharf should be proceeded with without delay in order to provide these fishermen with adequate wharf space and shelter for their 35 fishing boats. The total revenue of the fish landed at Blue Cove wharf during the last two seasons I am convinced was sufficient to meet the requirements of the economic branch of the Department of Public Works and there is no reason whatsoever why this project should be delayed any further.

A similar situation exists at Maisonnette and if the department is not prepared to proceed at once with the wharf extension at this particular locality consideration should be given at least to recommending the dredging of the approach to the existing wharf in order that the Maisonnette fishermen may use this wharf to land their daily catch.

I would like now to mention another item which appears in the speech from the throne and relates to a matter which directly concerns the province of New Brunswick. The throne speech announced that we would be asked to provide assistance in financing the Beechwood project which has been under construction in New Brunswick. Before making any comments on this announcement I would prefer to wait until the measure is introduced to the house for consideration. I hope, however, that the assistance or financial aid to be provided for Beechwood will not interfere in any way with the program outlined in the last budget, providing for the entire financing by the federal government of the thermo plants in New Brunswick and Nova Scotia together with the integration of the power systems of these two provinces.

I also notice that the speech from the throne mentions that we will be asked to approve certain bills relating to certain railway branch lines. In a reply I received this morning from the Minister of Transport (Mr. Hees) the house was told that no plans have been made to introduce during the present session a bill to authorize the construction of a spur line from the Brunswick Mining and Smelting Corporation ore deposits to the site of the proposed harbour development near Bathurst. An early start on this branch line would provide additional employment and would alleviate to some degree the critical labour situation presently existing in Gloucester county where the number of unemployed today is more than twice what it was at the same time last year.

Mr. Pallett: It is a little lower than it was on June 1 last year.

Mr. Robichaud: I am sorry, but I think the hon. member is misinformed and I could also tell him, Mr. Speaker, that the situation in

Restigouche-Madawaska is not as rosy as it was described this afternoon by the hon. member for Restigouche-Madawaska (Mr. Van Horne).

An hon. Member: Don't pay any attention to these members from upper Canada.

Mr. Robichaud: I realize, Mr. Speaker, it may be a good policy for the government to fulfil some of its election or pre-election promises but I do not hesitate to state that our industries are more concerned about maintaining their operations and in giving employment to their employees than in having to curtail their production and face a three or four-day week operation with a percentage of their regular employees out of work.

Social security measures have their good points. I understand perfectly the needs of the aged, the disabled and the blind; but there is also an economic heresy which goes something like this: "The state can give without taking in with one hand what it hands out with the other." We all know, Mr. Speaker, that the truth really is that the state is not a source of wealth. The individuals produce and what is given out by the state originates from this source of production. Public funds are provided from taxes whether through direct or indirect taxation and taxes originate from the sweat of the brow of the man who works.

Mr. Frank Howard (Skeena): Mr. Speaker, in rising to participate in this debate as a newly elected member I understand there are certain courtesies which are accorded new members in that others do not interject, intervene or make any comments. I also understand that one is not generally supposed to be too harsh in his initial remarks with respect to government policy and so on. As far as I am concerned, if any hon. members feel they need to interject or offer some comments during the course of my remarks I hope they will feel free to do so.

I would like to offer my congratulations to you, sir, as other hon. members have done, in the election to the post you now hold, and also extend my congratulations to the other presiding officers of this house. I am personally very partial to the system of having what is known as a permanent speaker and I hope—and I am sure in my own mind—that your activities and interpretation of the rules of the house and your application of them will result in your being Speaker, not only for this parliament but for many parliaments to come regardless of which party might sit on your right side as the government.

However, I do not think we could quite properly apply the system which is in effect in the United Kingdom to the post you hold here in Canada. I am of the opinion that the general public enjoy having a member in this house who is vocal, one who is ready, willing and able, as the saying goes, to present the problems of his constituents, to speak in debate on the various matters affecting people all across the nation even though they may not reside within his particular constituency. Having thought about this matter I offer as a suggestion the idea that we might approach the question of having a permanent Speaker in Canada, not along the lines of having his seat uncontested during election time but of establishing this House of Commons as an additional constituency, the members of this chamber being his constituents and accordingly electing a Speaker at each new parliament. In that way each constituency in Canada would have a member in this house who is not restricted in his speech as Mr. Speaker normally is. I do not know whether this suggestion will meet with approval on the part of the government but I hope we can approach the question in that light.

I could spend considerable time discussing the beauties and glories of the constituency of Skeena, one of the largest in Canada, but I doubt whether we should take the time of this house on that sort of thing at this particular moment. However, I might say in passing that I have a large number of 35-millimetre size coloured slides of various scenic, industrial and human interest shots taken in the riding of Skeena and if you, Mr. Speaker, or any hon. members would be interested in seeing them at any time I would be more than pleased to show you in that way some of the natural beauty of the riding I have the privilege of representing. One of the main reasons I think it is the best riding in Canada—I am sure I will find many hon. members disagreeing with me on this—naturally is that it is contained within the best province of Canada and I am sure I will find less hon. members disagreeing with me on that point than on the other.

Seriously though, Mr. Speaker, the constituents in Skeena have many problems which are similar to those which have already been mentioned in this house by other hon. members from all across the nation. I think I will have an opportunity of presenting those problems and grievances in some other proceedings before this house and I would rather leave them until that particular time presents itself.

There are, however, a couple of matters with which I should like to deal and with which other members have dealt, relating to other parts of the country. So far I have

enjoyed very much listening to other hon. members relating matters affecting their particular part of the country. I was particularly interested in the question of unemployment, with which I should like to deal to some extent, not only because it affects us particularly in northern British Columbia but because it affects people all across this nation.

The most interesting discussion I have heard so far, sir, relating to unemployment, are the proposals and the criticisms advanced by the hon. members who happen to sit in the official opposition. I have noticed also that they are attempting to pass themselves off at this time as champions of practically all causes in Canada, hoping thereby, of course, to curry some favours in various sections at the next election, whenever that might be held. But personally I do not look too kindly upon their attitude now with respect to unemployment, particularly in view of the callous attitude they had while they were in office with regard to the unemployed and industries closing and laying people off. I know the individual members certainly may be sincere in their desire to overcome this problem of people being unemployed and out of work and not having the wherewithal to provide the food, clothing and shelter necessary for themselves and their families. I wonder whether this is an approach that we can expect the general public of Canada to agree with, especially in as much as those hon. gentlemen belong to the Liberal party.

We hear, of course, that unemployment in Canada and in certain parts of it has become a problem only since June 10, or a little bit later on, probably when this government took office. For the benefit of the hon. members and others who might be interested and who will have an opportunity to look at these things, may I say there are a few figures that I should like to put on the record with respect to unemployment this year and last year. To do that I must go back to the first of the year when our friends the Liberals were in office in this country. I will not bore the house with reciting facts and figures attempting to show the difference; I will merely relate to the house the percentage of one month over the other as it applied all across Canada during the early months of this particular year. Incidentally, these are unemployment insurance commission figures.

In January of this year we had a 12 per cent increase in unemployed workers in Canada over January, 1956. In February the situation was quite a bit better than that in that the figure was 10 per cent; but there the good picture ends. In March we see a difference of 11 per cent; April, 17 per cent; May, 32 per cent; June, the middle of the year when unemployment is supposed to be at its peak, the election month, we find a 40 per cent increase in unemployment this year over last year. I hope the citizens across the nation will take cognizance of these figures and will look at the record of the party that was in office at that time when these things existed.

The picture, as it relates to British Columbia—and the hon. member for Vancouver East (Mr. Winch) also mentioned this today—is as follows. British Columbia appears to be the hardest hit of any of the provinces in the nation today in regard to over-unemployment. We find a similar set of percentage figures. They are similar in that there are more unemployed every month this year than there were last year. The percentage figures are high and I should like to relate them to the house.

In January this year there was a 35 per cent increase in unemployment in British Columbia over the year before. In February the figure was 32 per cent; in March, 23 per cent; in April, 39 per cent; in May, 62 per cent; and in June, 48 per cent.

I do not want to go beyond these figures because these are the only official ones I could get to date from the Department of Labour; but from information given to this house by the Minister of Labour in reply to questions we can see the situation has not bettered itself in the last few months in that unemployment is steadily on the increase, with a much greater percentage in each month this year over the same month last year.

If we look at individual communities we find substantially the same picture; therefore, it is not a localized question; it is not the result of some peculiarities of an industry, be it over-production, bad weather, or some other reason. It is a general nation-wide problem and the Liberals must stand up and take the proper amount of blame that they should take for having been in office during the time that this sad thing was developing. My hon. friends opposite can pound their desks because they in turn should be subjected to the same sort of criticism. Actually they are no better than the other people were when it comes to this question. Both of the parties, the one representing the government and the other representing the official opposition—incidentally, Mr. Speaker, I enjoy that expression "official opposition"; it makes us in this corner feel just that much more sure of ourselves as being the real opposition in the

house—say that this is so; I am not telling you anything that they do not agree with themselves. They agree that our present capitalist system is the one which must carry on and the only one with which they will have anything to do. So long as both parties take that attitude, so long as they refuse anything in the nature of public direction, anything in the nature of public ownership of the proper means of production and distribution, so long shall we have unemployment along with it because they know as well as I do that industry will operate and will build up the productive means of their plants if it is profitable to do so. If it does not become profitable or things become a little bit difficult the next thing they will do is to cut back their production, lay off their employees and then unemployment develops. This is a cyclical thing and it happens time after time and has been going on continuously throughout the tenure of office of the last government. Unless this government changes its attitude and is willing to take these other factors into account and do something concrete and constructive about it they will have to suffer the consequences.

I see some hon. members over here wish to say something. I am sorry I cannot hear them and am not able to make the proper comment.

An hon. Member: They did not say anything.

Mr. Howard: Oh, they did not say anything. Well, quite seriously, Mr. Speaker, the question of the steadily increasing number of unemployed in Canada is the one thing facing not only the government but every hon. member in this house and to which we must all put our best effort in order to find a solution immediately, not next spring or next summer or at some other time but right now when the crisis is imminent. There is every indication that our army of unemployed will reach a figure of three-quarters of a million this coming winter and it would not surprise me one bit if this turned out to be so. There is every indication that we are heading in that direction.

But the situation of people being unemployed is not the only thing that is bad. Of course some people will say that these unemployed are able to get unemployment insurance; some of them are and that helps to tide them over somewhat. However, in my opinion there is one thing with regard to which we must take immediate action. I was very dismayed when the Minister of Labour (Mr. Starr), in answer to a question the other day, replied that it was not the intention of the government, because the present session was going to be a short one or something of that nature, to introduce amendments to the Unemployment Insurance Act. It is time that amendments were made to the Unemployment Insurance Act. If we are not going to take action now along concrete, economic lines to deal with the problem, then let us take action along the other line and assist the unemployment insurance commission in whatever way we can in order to make things a little bit easier.

If I am not mistaken the minister was a member of a house committee that dealt with the Unemployment Insurance Act a few years ago and made amendments to it. Therefore he is probably far more familiar with the matter to which I wish to refer than I am. There is a particular section of the Unemployment Insurance Act, section 45, subsection 2, that sets up the qualifications a person must meet before he is eligible for unemployment insurance benefits. One of those qualifications is that if a person has a previous benefit year, that is if he has applied for unemployment insurance before, then in the case of a subsequent claim he must have 24 weeks of benefit contributions to the fund in that 52-week period before he can qualify.

I am thinking specifically now of the lumber and logging industries of the west coast of British Columbia which have been in the doldrums for some time so far as employment is concerned. Under that particular section the result will be that this coming winter there are going to be many hundreds of loggers on the west coast of British Columbia who are not going to qualify under the 24-week contribution provision because they will not have had 24 weeks of employment throughout the year. Many of them are already unemployed.

From talking with the president of district council No. 1 of the international woodworkers of America, who keeps a very close watch on the situation in British Columbia and Alberta, I understand that there are somewhere in the neighbourhood of 4,000 loggers unemployed at the present time which is far in excess of the normal figure for this time of the year. These unemployed people are going to have a pretty difficult time this winter to try to qualify under that particular section of the act. I hope the minister and the government will reconsider the matter of introducing amendments to the Unemployment Insurance Act at this fall session in order to help to alleviate the economic picture of these unemployed workers. I do not think it would take a great deal of study to draft an appropriate amendment or even to guess at what the effect would be on the unemployment insurance

fund which stands at $800 million or $900 million at the moment. It would merely mean reducing the 24-week period to some smaller number of weeks, 20 or 18, and I am sure such a move would mean that a great many more loggers could qualify than is the case at the present time.

With respect to disqualification you may think I am talking about figures for the sake of talking, but from statistics compiled by the unemployment insurance commission I find that in the first six months of this year, January to June, 275,000 people who became unemployed and applied for unemployment insurance benefits were disqualified because they could not meet the benefit contribution qualification. The figure of 275,000 does not include people who quit their jobs or were fired or left for some reason for which they might legitimately be disqualified under the act, but people who could not meet the minimum benefit contribution requirement. There were 275,000 disqualified during the first six months of the year and the situation is not going to get better as time goes on.

I have in my hand, Mr. Speaker, a little booklet with the title "Labour" in black print. I do not know how many members have received one of these but I am sure most members on the government side will have had them. I only wish to refer to it briefly. It contains what I assume you would call the election promises of the Conservatives and it deals with quite a number of subjects. I am sure hon. members opposite are familiar with the booklet. They probably held it in their hands during the election campaign, waved it around and said, "This is what we will do." I do not know whether the numerical order in which these promises appear indicates the degree of importance placed upon them but I see that the first one is "maintain full employment and the highest possible standard of living". I agree with both of these proposals because I think they are sound and I think some attempt should be made to put them into effect. However, as I said, I doubt whether it is possible if the government is going to follow the present pattern of our society.

They deal with a number of items to improve the Unemployment Insurance Act. I would not be at all upset if out of the six items with various subheadings that appear in the booklet they would select the one relating to some form of economic assistance to unemployed people this coming winter and not leave these people to wander around, as the hon. member for Vancouver East said, and have to go to the community chest or other organizations of that nature to get a hand-out to tide them over for a day or two and then have to wonder what is going to happen to them.

While we are on the question of employment and unemployment I should like to refer to the recent action of the government in releasing an additional $150 million from the consolidated revenue fund into the economy of the country for home building purposes. I understand that depletes the statutory limit of money which the government is able to transfer or give to Central Mortgage and Housing Corporation. I certainly welcome this action. To some limited degree it will help people to buy their own homes and also stimulate employment in the case of those who build the homes and supply the raw materials that go into them.

I know the government is quite proud of its action in releasing that amount of money to the general public for the great purpose of building homes but I do not know whether they should be as proud as they are when there is additional action that can be taken with respect to unemployment and also stimulation of the lumber industry which finds itself in an upset condition in central Canada and it is also pretty sick in British Columbia. Not only can the government do something by way of stimulation in that regard but they can also take a concrete, definite forward step in helping people to own their own homes and in making provision for low rental housing units, slum clearance and things of that nature.

What happens to the $150 million the government has decided to release? A person who wants to borrow part of it has to go to one of the loan sharks and interest hounds operating our banking system and has to pay through the nose to them to get his own money, which he paid in taxes in the first place, in order to buy a home, and for which he has to pay the exorbitantly high rate of 6 per cent interest.

We are also paying fees to these banks out of the public treasury for administering the loans. We are paying money to the banks for lending money to people who paid it into the public treasury in the form of taxes. Now, a much more sensible way of doing it, and a much less costly way to the person who is building a home, would be for this government to take immediate steps to arrange for that money to be lent directly through Central Mortgage and Housing Corporation, and not at the same interest rate that would be paid to a bank, 6 per cent, but at an interest rate that would be acceptable. Perhaps the interest rate could be sufficient merely to cover the cost of administering the

loan and the administration costs of Central Mortgage and Housing Corporation. As the situation is now with this 6 per cent interest rate or 5½ or 5¾ per cent, I do not care what it is, all we are doing is placing an additional burden on the person who wants to build a home. We can assist him immensely by cutting that interest rate in half. This will enable him to get a better home at less cost. This could be done in addition to all the other good things that can be done under Central Mortgage and Housing Corporation.

At the outset I only wished to mention these two problems, one being unemployment as is evidenced by the amendment moved by the leader of the C.C.F. group. I think unemployment is the most important question facing the people across the country today. It is true that cash advances to farmers on farm-stored grain will be of great assistance to them, but that is something that is limited to a particular area of Canada. It is true that an increase in the payments to old age pensioners, as well as the recipients of other pensions, will help in so far as the inflationary problem is of concern to them. It will help them to get along a little better in life. However, I felt that unemployment was the one question that faced everybody, in all walks of life, from the Atlantic to the Pacific. It is a problem about which our government has not indicated they are going to do anything except make this $150 million available, which is a mere drop in the bucket.

They have indicated also they have asked the national employment service to step up their program of finding jobs for people who become unemployed, but that is going to be rather difficult to do if there are no jobs available. Then mention was made of programming federal works so that more would be done during the winter. I mentioned this problem of unemployment because I thought it was so important. Housing is equally important and is connected with unemployment and with the economy of the lumber industry itself. I give you these two thoughts, and I want to thank you for your attention. I hope I shall have the opportunity later of participating in debates on specific matters relating to my constituency.

Mr. F. C. Stinson (York Centre): Mr. Speaker, my first word is one of congratulation to you upon your election as Speaker of the house. I am one of those who, as a student-at-law, looked down on you from the gallery with respect and admiration when you were first elected to the legislature of Ontario, little thinking at that time the day would come when I would have the opportunity of addressing the representatives of the Canadian people through you as Speaker of the House of Commons. May I congratulate also the ministers of this government upon their appointments, and thank them and those members who have been here before for the many kind things they have done to assist those of us who are here for the first time.

The riding which I have the honour to represent is the second most populous electoral district in the nation, with a total population of 130,000 men, women and children and 75,000 electors. The constituency of York Centre lies immediately north of that much maligned, but nevertheless great city of Toronto. In fact many of our people journey south each day to their work in that city. York Centre has a character of its own. It is probably the best example in the country of that kind of community which has been called suburbia. Into the township of North York, most of which lies in York Centre, 100,000 people have moved during the past five years. Many thousands have settled in housing built under the provisions of the National Housing Act. The schoolhouse has become the community centre, and during the five years in which I have had the privilege of serving the educational system as an elected representative, 35 new schools were constructed in the township of North York alone. As I drive through this riding on these fall weekends and talk to the members of these young families who are working so hard to maintain their homes and provide all they can for their children I am deeply conscious of the responsibilities I have as their representative in parliament.

While many immigrants have settled in York Centre, most of our young families have come from the city or the farm. We have representatives of every major ethnic group. I have the honour of representing many thousands of people of the Jewish community. In the past four years six new synagogues have been built in the riding and a new Jewish home and hospital for the aged, which is considered by qualified social workers to be the finest institution of its kind on the continent. It seems to me, Mr. Speaker, that a civilization may well be measured by the concern it shows for its elder citizens. In building a home for the aged and Baycrest hospital the Jewish people in metropolitan Toronto have shown not only concern but a high sense of responsibility to their community.

I should like also to express my esteem for the large numbers of people from Italy who have come to my riding in recent years. As businessmen and artisans they have had a share in the commercial and housing developments which have taken place in York Centre.

(Translation):

Mr. Speaker, may I just say a word, through you, to the hon. members here who speak French as their first language.

For five years I was associated with the educational system in my constituency as a member of the local board of education. Many of the teachers of French in our schools there had had the privilege of residing or carrying on studies at some time in the province of Quebec. Because of this experience, they were better teachers of the language and better qualified to introduce French literature to their English speaking students.

How much better it would be, however, if these people came from Quebec and spoke the French language as their native tongue. While legislation in the field of education is not a matter for this House of Commons, I think we would do well as individuals to promote an exchange of teachers of language between our two great provinces.

It seems to me also, that we would do well to encourage our young professional and business men in my province, to undertake part of their academic and professional training in the province of Quebec. Much is said these days about the need to persuade these young men to take a larger part in politics and business affairs. Yet how much better qualified they would be if they had a greater understanding of the laws and customs and language of French Canada.

It is a rare experience for the young English speaking members here to have the opportunity of serving our country in this house with our French speaking brothers. We can develop here a true fellowship, and this will help us in our task of bringing together the people whom we represent. Mr. Speaker, it lies in our hands to make the dream of Macdonald and Cartier come true.

(Text):

May I now bring to the attention of the house certain matters which I believe to be of importance, not only to my constituents but to those of all other hon. members. The first of these is that I believe that our main responsibility is to see to it that our country makes its full contribution to the preservation of peace. Occupied as we are with the problems of these days, it is easy for us to forget that only 13 years ago tens of thousands of young Canadians were engaged in the utterly unproductive and wasteful activities of war and that many thousands lost their lives in the service of their country. It is our solemn obligation to make every possible effort to ensure that that kind of thing will not happen again in our time.

I hope that our government will attract skilful and dedicated people to the cause of scientific research so that our country with its immense resources may be prepared to participate in a significant way in resisting an attack from the other side of the world.

It is even more important, Mr. Speaker, that we should accept a greater responsibility for assisting the under-developed countries of the world and for helping in the re-establishment of refugees. One cannot read the report of the United Nations high commissioner for refugees without thinking that this country has yet to make any real sacrifice to alleviate the distress of these homeless people.

Mr. Speaker, I should like to express the regard which I think is held by all the young members of our group for the hon. member for Algoma East (Mr. Pearson) and the hon. member for Essex East (Mr. Martin) each of whom has brought honour to Canada by service rendered to the world at the United Nations. It is impossible to calculate the effect of what they have done, but Canadians everywhere should be grateful to them.

I come now to the matter of dominion-provincial-municipal relationships in the field of taxation. In the riding of York Centre, the small home owner has reached the limit of his capacity to pay municipal taxes, and yet local councils are faced with the need to find more and more revenue with which to provide services not properly chargeable to owners of real property. Those who have been associated with these councils and boards of education have a great interest in the meetings of the dominion-provincial conference to be held here at the end of next month. So also do our constituents, especially those in these suburban communities where municipal taxation has become so severe.

Mr. Speaker, on taking my seat here the hon. member for Vancouver-Burrard (Mr. Taylor) presented me with a statement made by Edmund Burke to the electors of Bristol in November, 1774. It is as follows:

> It ought to be the happiness and glory of a representative to live in the strictest union, the closest correspondence and the most unreserved communication with his constituents. Their wishes ought to have great weight with him; their opinion high respect; their business unremitted attention.
>
> It is his duty to sacrifice his repose, his pleasures, his satisfactions, to theirs; and above all, ever, and in all cases, to prefer their interests to his own. Nevertheless, your representative owes you not his industry only, but his judgment, and he betrays instead of serving you, if he sacrifices it to your opinion.

This statement, Mr. Speaker, is one which I intend to keep before me as a reminder of

my responsibilities here. These are important days for Canada, days of great opportunity for us who have been sent here to conduct the business of the country. To the members of this house and to the electors of York Centre I pledge my very best efforts as a member of this twenty-third parliament.

I shall vote in favour of the motion before this house.

Mr. Maurice Breton (Joliette-L'Assomption-Montcalm): Mr. Speaker, I am very happy to join all of my colleagues in congratulating you on your election as Speaker of this house. Your reputation for courtesy and for grace of manner is such that we are sure you will carry out your duties with all the integrity and sense of fairness that we know are yours. I also offer my congratulations to the Deputy Speaker.

Some information was given to this house last Friday (October 18th 1957) by the Postmaster General (Mr. Hamilton) and the Solicitor General (Mr. Balcer) on the question of simultaneous translation. As this information might mislead the house because it is incomplete or incorrect, may I say a few words on this subject.

To a question about the disposal of the simultaneous translation system used on the occasion of the universal postal union congress, the Postmaster General answered that the system was installed by the Department of National Defence which at all times retained ownership and possession of it. This declaration is contrary to that made by the postmaster general, Hon. Hugues Lapointe, in the last parliament whose words are recorded in the *Hansard* of March 7, 1957, page 1985, to the effect that the government was actually purchasing part of the equipment and that it would probably be taken up afterwards by the armed services who had been asked to provide for the installation. This answer was given in response to the demand of the member for Notre Dame de Grace.

Now when I asked the Postmaster General at what price we had disposed of the system, I believe I am right in saying that was the answer given. The Solicitor General gave another answer which is also incomplete or incorrect, to the effect that a special committee had been formed or would be formed to study the project of the installation of such a system in the House of Commons. In fact his answer was so confused that it is probably better to ignore it until the project is officially laid before this house.

Now, Mr. Speaker, the reason I raise this question is that for at least four or five years many French speaking members in this house have brought this matter before the commons and I am glad to say that last year we organized a committee which inquired of the members their reaction to such an installation and a great many of them, both French and English speaking, were very sympathetic to the idea. We felt sure, therefore, that the system would be installed, especially in view of the fact that on the occasion of the universal postal union congress the government had bought all the necessary equipment for such installation.

On September 17 I wrote a letter to the Postmaster General, a copy of which I sent to the Minister of Public Works (Mr. Green) and the Minister of National Defence (Mr. Pearkes), and I received an answer explaining that the system was not entirely fit for immediate installation but that nothing of a technical nature interfered with the possibilities of such installation in this house.

I think the time is now ripe for such a reform in the House of Commons and I am sure this is the feeling of all the French speaking members. We believe that a transmitting system should be installed to give French-speaking members a chance to take part in their own language in all debates. Last year I said to this house in words which I believed were polite but firm that we feel when we speak in French the members of this house are not interested. I do not think I will be disagreeable to my English speaking colleagues when I say that if the situation were reversed and they were in our position, with one-third of the house speaking English and two-thirds speaking French, the one-third would put up a strong case for simultaneous translation.

Now one day I heard a minister say that the members from the province of Quebec did not seem interested in the legislation of this country outside their own province. I admit that there seems to be some truth in that observation. However, I think one of the main reasons is the fact that the 75 members have to follow speeches in another language. In a democracy, under the system in which we believe and which we want to defend, with a parliament that we want to protect, I believe that we should have a system which allows everybody to speak in his own language and not be obliged to merely address the walls, the ceilings or the press. I think we are entitled to this opportunity. In making this statement I do not do so, I assure you, from a nationalistic point of view. It is made simply on the basis of a desire to preserve the democratic system which we all cherish.

I am confident, Mr. Speaker, that you will admit the time has come to instal a system,

using the experience gained in other fields such as the United Nations and the various national and international conventions and congresses. Such a system is widely used in actual practice.

I might add that a simultaneous translating system would cost no more than our present amplifier system. The initial cost of putting in this present system was $33,529 and the annual cost for maintenance, operation and rental of the equipment is $27,500. The proposed scheme could hardly be turned down for reasons of economy. I would add that the system which we have in this house, and which is so expensive, is far from being perfect because many members complain that they have difficulty in hearing other members speak and this has been proven by the efforts of some members to obtain special earphones. I am sure the Prime Minister (Mr. Diefenbaker) will agree that the system is not perfect. When I asked why, with the money we had spent on this system a better result had not been obtained acoustically, I was told that we could have a more perfect system than our present one but that the employees of the public works department felt it would spoil the appearance of the house. Therefore we have sacrificed efficiency to beauty.

Mr. Fraser: May I ask the hon. member if he has any figures as to what it would cost for translators, because he would have to have two of them.

Mr. Breton: Last year I wrote to the United Nations requesting some information and was informed that the installation cost is $15 per seat. In this house we have 300 seats and there are 600 seats in the gallery and so for the full amount of $15,000 the system could be installed in this house.

Last year while asking some questions of the former postmaster general the hon. member for Notre Dame de Grace (Mr. Hamilton) also quoted these figures. He advised that he had made inquiries and had been informed that the cost would be around $15,000.

Mr. Fraser: Mr. Speaker, I asked the hon. member what would be the cost of engaging translators?

Mr. Breton: Well I am advised that at the United Nations translators are paid $15,000 a year. They are engaged for the entire year and naturally we would require them here for only a portion of the year. I am glad the hon. member raised this question because if the government is sincerely interested in this project it would be well advised to make immediate arrangements for engaging people who could be trained as translators because I am told it takes six months to become a truly competent, expert translator.

Mr. Fraser: That would mean an additional $30,000.

Mr. Breton: It would be expensive but the new system would be much better than the existing system. In addition to that if the unfortunate situation should prevail where the Speaker does not speak both languages he would be able to understand the discussion between hon. members if a simultaneous translation system were installed. For all these reasons, I think the government should seriously consider this request.

Last year I had a resolution on the order paper that did not come before the house prior to the end of the session. This resolution appears again on the order paper this year and will come to the attention of the house on an early occasion. I am sure that all French speaking members in this house, and I also know many English speaking members will support my resolution. We will not stop asking for this reform until it has been given to us.

The government claims that it wants to protect the rights of parliament and of hon. members of this house. The Prime Minister (Mr. Diefenbaker) said in the speech from the throne:

> . . . it will be the high purpose of my ministers . . . to take steps to make both houses of this parliament more effective in the discharge of their responsibilities to the people of Canada.

I feel that the first step towards protecting the rights of parliament would be to extend to each hon. member of this house the right and opportunity to be heard and understood in his own language.

International bodies of all kinds are adopting the system of simultaneous translation for the benefit of their members. It is fitting that an example of the harmonious relations that should exist between the two great races and language groups in our country should be underscored by the installation of such a system in the House of Commons.

(Translation):

And now, Mr. Speaker, if I may, I should like to continue my remarks in French and this, in itself, emphasizes at once what a drawback it is for the Speaker to be unable to follow speeches in both languages. As a representative of the province of Quebec, I owe it to my province and to my fellow-citizens to speak French in the House of Commons.

I should like at this point to make a few comments on some disquieting contradictions of the speech from the throne.

The Prime Minister stated many times during the electoral campaign and the last session of parliament that there was need for "a return to the spirit of confederation". This statement, which sounded impressive, and implied that there had been a deviation from the spirit of the fathers of confederation, might suggest to many people that it was a matter of safeguarding the autonomy of the provinces.

I do not know whether the Prime Minister made the statement intentionally or not, but any one who has given the instrument of confederation some little study will admit, —and that I believe is the opinion of every jurist without exception,— that this constitutional document of 1867, in spirit as well as in letter, had markedly centralizing tendencies. It is therefore somewhat ironical to hear the Prime Minister talk about a return to the spirit of confederation while, in the same breath, he speaks of provincial autonomy.

The former prime minister (Mr. St. Laurent) had well understood that this document needed amending and had to be adapted to present conditions. In fact in 1949 he suggested certain new procedures for amending the constitution, which were to be acceptable to the provinces. Unfortunately these could not be accepted by the provinces because of lack of understanding among them. The only deviations from the spirit of confederation were made from time to time by judicial decision. That is to say that when we hear the Prime Minister talk of a return to the spirit of confederation, I wonder whether he is not thinking of even greater centralization of the economy of this country into the hands of the federal government. Whatever the case may be, Mr. Speaker, whatever his intention, the fact remains that the speech from the throne in its present state represents a real move towards centralization. I hope I may be allowed to dwell on this point for a few moments.

It will be remembered—and it is well that we should remind ourselves of these things— that the Hon. Mr. Duplessis, premier of Quebec, adopted an autonomous attitude during the federal-provincial conference of 1945. At that time he made statements which are important to read and to remember, having regard to the forthcoming conference.

The Hon. Mr. Duplessis made the following statements which will be found on page 409 of the brief submitted by the province of Quebec and presented by Mr. Duplessis.

> It is the considered opinion of the province of Quebec, it is the considered opinion of highly qualified jurists, that the fact that the constitution of 1867 specifically gives to the province the right of direct taxation means conclusively that the provinces have priority in the matter of direct taxation.

This word priority has been used repeatedly by the Quebec press and I recall that, at one time, Mr. Duplessis even used the word "exclusivity" which, in his mind, as he explained, made it incumbent upon the federal government to withdraw completely from the field of direct taxation.

Mr. Speaker, on page 412 of the same presentation, there is a further statement which it would be well to recall because it applied exactly to the situation today. The new government promised to increase financial assistance to the provinces. Indeed it has given the provinces to understand that it would give them greater assistance as well as to municipalities. It also promised,—and therein lies the contradiction which surprised everybody,—that it was going to reduce taxes. Here we can recall the statement made by Mr. Duplessis in 1946 when he said:

> The federal government is stating that they wish to decrease taxes.

It will be recalled that in 1945, the government actually meant to cut down taxes and indeed did so. Moreover, it proposed a tax agreement with the provinces in order to find a means of financing them while reducing taxes. And Mr. Duplessis added:

> I do not know how they can decrease taxes. If it is their secret I do not ask them for the secret. What strikes me is this. How would it be possible logically to decrease taxes when they contend that the provinces will get more from the taxes, Ottawa will get more and the taxes will decrease?

Under such conditions, how could taxes be reduced?

> I must admit that my intellect is not sufficient to arrive at such a conclusion.

I believe that this passage from the 1946 brief should be remembered. But that is not all. There is also a most interesting passage there concerning natural resources. Here is what Mr. Duplessis stated on that point:

> Natural resources belong to the provinces. They belong to the provinces to such an extent that the privy council decided that even a federal loan does not affect provincial natural resources.

Note that, Mr. Speaker. The privy council has decided that a federal loan could not even concern provincial natural resources. Mr. Duplessis continues:

> That is why I say that some consideration should be given to the exclusive and essentially indispensable right of the provinces in connection with natural resources, forests, water power, mining and so forth.

Mr. Speaker, I have quoted these statements to show that they are in gross contradiction with the intentions of the present government and the provisions of the speech from the throne. I wonder how these tendencies and statements can be reconciled.

You may perhaps say that the hon. Mr. Duplessis represents Quebec but there are also in this house some members who, formerly, were sitting on the opposition side and who, at that time, not only endorsed the stand of the government of the province of Quebec on the constitutional question but made themselves, in this house, the spokesmen of the hon. Mr. Duplessis.

The hon. Solicitor General (Mr. Balcer), who now sits on the other side of the house, is in an embarrassing situation. He has repeated time and again that direct taxation and subsidies are contrary to the spirit and the letter of the constitution, and he now finds himself saddled with the sad responsibility of sticking to his principles or letting his party down.

Mr. Balcer: You do not know what will happen.

Mr. Breton: I am not speaking lightly. I will quote textually. In 1953, the hon. member for Three Rivers made a speech on that question and said this, as shown on page 67 of volume I of *Hansard* for 1953-1954:

> . . . for the federal-provincial relations will not be settled by mere subsidies from the central government. These grants are contrary to the spirit which inspired the fathers of confederation and merely tend to make of Canada a centralizing country, that is to say a country having only one government.

It is clear that after such a statement there is no alternative. They do not criticize the manner in which the subsidies are distributed, but merely their distribution, which is in fact the opinion of the Quebec government.

On Friday last, I asked the hon. Solicitor General the following question:

> When sitting in the opposition the hon. Solicitor General has, on various occasions, given expression to the well-known thought that federal subsidies are unconstitutional. The opinion which he voiced then was shared in every way by the government of the province of Quebec. In view of the proposed federal-provincial meeting on fiscal matters, could he tell us now if he will oppose the subsidies which his government seems to be preparing at this time?

And here is his answer:

> I would like to tell my hon. friend that I am still opposed to subsidies such as were proposed by the former government . . .

Here is the difference of interpretation: "as were proposed by the former government"; it was not a question of subsidies, but rather of the way in which they were granted.

Mr. Balcer: What I said at that time still holds true, and I will go on saying it.

Mr. Breton: My colleague will be able to speak when his time comes, if he wants to, and I hope that the house will accept his statement.

[Mr. Breton.]

As far as his question is concerned, it seems to be a hypothetical one, since the proposals of the federal government are not yet known, but I am convinced that they will be made on a very different basis from those of the former government.

Mr. Balcer: They are going to be based on a position far different from that of the former government.

Mr. Dupuis: It is a subsidy just the same.

Mr. Balcer: This means that we are no centralizers, but that we want the rights of the provinces to be respected.

Mr. Breton: It will still be a subsidy. It is obvious that, in the past, the hon. member for Three Rivers simply came out against subsidies themselves but not the way they were distributed.

Mr. Balcer: I was opposed to the subsidies as distributed by your government.

Mr. Breton: I could quote here part of a speech which he delivered during the 1953-54 session, and which he could not repudiate.

He is now trying to reconcile his former opinions with those of the government of which he is a member. Yet, if he considers only the attitude of the Quebec government, —as I imagine he still holds the same views about provincial autonomy,—I hope he will make strong representations to his government.

The same questions were put to two other minister representing the province of Quebec in the cabinet. These two ministers did not want to commit themselves and refused to answer.

The other day, in laying the corner-stone of a new college in Montreal, the hon. Mr. Duplessis stated that he had no intention whatever of surrendering any of his rights in educational matters. This is the latest statement he has made about this question. I am now wondering whether his statement, which is very restrained on the whole and which regards only education, is not actually a change, preparing the ground for a more conciliatory stand towards the new government, and whether we must consider his previous statements as strictly political declarations. This is something to wonder about, not only in this house, but in the province of Quebec, and throughout the country.

Now I know, Mr. Speaker, that the next federal-provincial meeting will prepare another one, just as the meeting at Mont Tremblant was just a preamble for other conferences; I also know that the government would like to be elected on its intentions rather than on its record, for its members very well realize the impossible situation they will have to face three or four years

from now, and that is why I say that we now have a government of intentions. It is a government of intentions . . .

Mr. Balcer: If this is a government of intentions, why don't you vote against it?

Mr. Breton: Ah! my dear friend, I could tell you that, the last four months the government has been in power, we have found two trends, but no achievements.

The papers were saying, the other day, that it was high time the government did something. The first trend is striking evidence of the value of the Liberal administration, because it is now possible to increase pensions without too much trouble. The other is a return to political attitudes which, in spite of the temporary favour enjoyed by the Conservative party, are neither in accord with our mentality nor with our wish for independence on behalf of the Canadian nation.

In conclusion, Mr. Speaker, I will add this. The representatives of the province of Quebec in the cabinet are in an embarrassing position, for they cannot prevent the centralizing trend of the government. While the Liberal position remains the same, some of our friends opposite will encounter great difficulties in explaining their about-turn to the people of our province.

Well, Mr. Speaker, the hon. members opposite are forced to change their minds realizing that, in the present circumstances, there are things that cannot be changed. Such admissions have been made, in fact, by several ministers, the Postmaster General (Mr. Hamilton), the Minister of Transport (Mr. Hees), the Minister of National Defence (Mr. Pearkes), who all admitted that everything was going well under the former administration.

I hope, Mr. Speaker, that our friends who represent the province of Quebec in the cabinet will make representations to the Prime Minister (Mr. Diefenbaker) and to the government in favour of a financial equalization system for the development of the natural resources of the provinces. What we have been noticing for the past four months, Mr. Speaker, is that the province of Quebec has been completely ignored by the new government. I do not know what our friends may think of the government's intention to spend millions on the construction of a dam in Saskatchewan, or millions more to develop the natural resources of the maritimes. We are by no means opposed to such proposals. But we must point out that the province of Quebec is ignored in that field as in every other field. It is ignored in the field of social security because, as everyone knows, the province favoured an increase in family allowances before anything else.

Mr. Balcer: Are you against increasing old age pensions?

Mr. Breton: We are not against old age pensions, we are in favour of old age pensions.

Mr. Balcer: Why have you been refusing them for the past 22 years?

Mr. Breton: You are among those, my friend, who at the Conservative convention held in Ottawa asked for adoption of a resolution in favour of the increase of family allowances.

Mr. Balcer: This will be more readily done under our administration than under yours.

Mr. Breton: We shall see what we shall see. All we ask you is to give proof, nothing more. I said that the province of Quebec was being ignored in the field of social security, in the field of financial help, in the field of development of natural resources. I can also say that it is still ignored in the field of cabinet representation. According to the Prime Minister, we should have five ministers whereas we only have three.

I close by saying, Mr. Speaker, that the representatives of the province of Quebec in the federal cabinet will have a lot of work to do to improve the reputation of the Conservative party in the province of Quebec.

(Text):

Mr. Victor Quelch (Acadia): Mr. Speaker, I believe that there was fairly general approval of the proposals contained in the speech from the throne regarding our senior citizens, war veterans allowances and certain aspects of agriculture. However, on account of the vagueness of those proposals I will wait until the legislation is brought down before I refer to them further.

We in this group were sorry to note that there was no mention in the speech from the throne with regard to the tight money policy that is slowing down the Canadian economy,

and it is for that reason that the leader of this group, the hon. member for Peace River (Mr. Low), moved an amendment.

This afternoon the hon. member for Melville (Mr. Gardiner), the former minister of agriculture, was somewhat critical of the C.C.F. group and our group for moving an amendment and a subamendment. He stated that we had promised to support government legislation but, of course, we did not make any such sweeping promise. We stated that we would support government legislation that was in the national interest even though it did not go as far as we would like to see it go but that we would certainly still feel justified in moving amendments where we thought legislation was of an undesirable character or where there had been any serious omissions. Not only would we feel justified but we would feel it a duty and a responsibility to move amendments in that case.

The amendment moved by the leader of this group reads:

> That all the words in the amendment after the word "once" be struck out and the following be substituted therefor:
>
> "However, we regret that there is nothing in the speech from the throne to indicate that it is the government's intention to ask parliament to lay down a scientific, modern financial policy for Canada that will guide the Bank of Canada in its operations, bring about a speedy end to the present tight money policy, and effectively check the ever-rising cost of living."

It will be recalled that the former government during previous sessions and during the election campaign stated that things had never been so good. Since that time the people have spoken and I think they spoke in such a way as to make it clear to the former government that they were not in agreement with that slogan. They showed their disapproval by the way they voted.

It is true that during the past six years there was a fairly general level of prosperity but there were danger signals evident in the year 1955. By then the cost of living had started to rise. We had an adverse balance of trade of around $800 million with the United States and $427 million with the world at large. The amount of consumer debt had risen to the figure of $2.2 billion and agriculture had become quite seriously depressed.

The governor of the Bank of Canada met with the chartered banks in the fall of 1955 and laid down the foundation for the tight money policy that has been in operation for the past two years. In laying down that policy he justified it very largely on the ground that there was a shortage of labour. He pointed out that consequently were the money supply to be increased it would create a demand for goods that could not be satisfied due to the fact that we lacked the labour with which to expand our production. He makes that clear on page 39 of the Bank of Canada report for 1956.

Now, two years later, in the light of that situation and in the light of the situation today I think most of us would agree that the policy has been somewhat of a flop because since then there has been a steady rise in the cost of living. The adverse balance of trade which was worrying us then has pretty well doubled; consumer debt has expanded from $2.2 billion to $2.6 billion.

It may be said perhaps that one of the achievements of his policy has been the loosening up of the labour situation. At that time he said there was a shortage of labour. Very largely as the result of his financial policy we find we have many thousands of unemployed. Whether or not he would feel that is an advantage I do not know, but I think the people of this country are justified in demanding that a financial policy be instituted which makes it possible to maintain full employment in this country.

I would say that one of the direct results of the restriction of credit has been the sharp rise in interest rates, and that has forced up costs and forced up prices. High interest rates have encouraged foreign investment in this country. I know it is argued that we need a high level of foreign investment in this country in order to meet our adverse balance of trade, but let us not forget that our adverse balance of trade is actually the counterpart of foreign investment and, of course, the more money that is invested in this country the more there is spent on United States goods. Consequently, the adverse balance of trade is expanded. The practice has been accelerated as a result of United States business getting more control over our industries, and consequently buying many of their requirements in the United States instead of buying them in Canada.

In addition the tight money policy is causing our provinces and municipalities to borrow in the United States instead of borrowing in Canada, partly perhaps because they cannot borrow in Canada and partly perhaps because they can borrow money cheaper in the United States than they can in this country. The result, of course, is a steadily expanding debt between Canada and the United States.

The tight money policy is also putting the small business firms out of business and

giving the United States a stranglehold on Canadian business. I was talking to a businessman in Edmonton the other day, the manager of a firm which supplies heavy equipment for construction. He told me that many of the small business firms supplying heavy equipment were being driven out of business. He said, "We have to wait quite a while for payments from construction firms and they have to wait quite a while for payments from municipalities, provincial governments and the federal government". He said, "Normally, having to wait did not bother us at all because we were able to get a line of credit from the banks, but today that line of credit has been cut off". As a consequence, many of these small firms have already been driven into bankruptcy. What he most strongly objected to was the fact that their main competitors are larger firms with parent companies in the United States and they are able to get all the capital they want from the United States. Consequently the larger firms are taking over the Canadian firms or driving the Canadian firms out of business because the Canadian firms cannot get capital whilst their United States competitors can.

I think most of us agree that is a very undesirable situation. The other day I was told that the situation is easing; the cash reserves of the chartered banks are increasing. However, it is going to take a long time for those cash reserves to filter back to those firms who are so direly in need of an extension of credit today.

The tight money policy has also caused a high premium on the Canadian dollar. This is a very severe handicap for Canadian exporters. Years ago it used to be the practice for a nation with an adverse balance of trade to depreciate its currency in order that its exporters might be able to compete with foreign countries by underselling them. This policy would, at the same time, discourage imports. In this way it helped to ease the adverse balance of trade. But what do we find in Canada? In Canada we have a very serious adverse balance of trade, yet instead of depreciating our dollar, as has usually been the custom, we maintain the dollar at a highly appreciated rate. This results in making it very difficult for our exporters to compete with our competitors in foreign countries. At the same time we make it easier to import goods. By making it harder to export and easier to import, we are steadily widening the adverse balance of trade which is causing a great deal of concern in the country at the present time.

This policy has also severely handicapped our farmers, that is the policy of maintaining the dollar at an appreciated rate. For instance, our wheat is sold in terms of United States currency. This means that when we get paid in United States currency, instead of getting a dollar we get 96 cents. On a bushel of wheat, therefore, today the farmer loses around 7 cents as compared with what he would receive if the dollar were at par. If we compare the present situation with the situation when the dollar was held at 90 cents in terms of the United States dollar, as was the case in 1950, we find that the farmer today is losing 27 cents a bushel as a result of this highly appreciated dollar.

We in this group have always taken the stand that we should maintain foreign exchange control. We opposed the proposal to remove foreign exchange control. On the other hand, if we are not going to have foreign exchange control, if we are going to maintain the appreciated dollar, then the farmers have every right to demand that they be compensated for the penalty imposed as the result of that appreciated dollar.

I feel that parliament should make it clear to the governor of the Bank of Canada that it will not tolerate a money policy that forces us farther and farther into debt with the United States; that causes us to lose markets and, expands unemployment, and more important, places us under a severe handicap in the cold war with Russia by slowing down our production. This type of sabotage took place no later than the thirties before the world war in 1939. We suffered severely as a consequence of having allowed our production to slow down before that war. I am not suggesting the situation is similar today but I would say, in view of the fact we are entering the atomic age, the consequences might be even worse than they were in 1939. We cannot afford to slow down today whilst our competitor, in the form of Russia, is doing everything in its power to accelerate its rate of producton.

It has been stated that the tight money policy was needed to deal with inflation in this country. I think the important point to know is that there has not been any real inflation in Canada, as that condition has been defined in the past by the governor of the Bank of Canada, by our own finance officials and by former ministers of the crown. We have been told time and again that inflation means too much money chasing too few goods, yet for the past two years inventories in this country have been steadily rising while the money supply has been curtailed. I would say that what we really had in the past two years

was a wage-price spiral. Certain unions find that certain industries are making large profits and they call for an increase in wages. Then that industry increases prices, not merely sufficiently high to cover the wages but in order to give them a profit on the increased wages they are paying.

I was sorry that the proposal put forward by Walter Reuther was not given greater consideration. I thought it was an excellent proposal. The proposal to the automobile industry was that it should reduce the price of cars by $100, and in return the union would modify its proposal for an increase in wages. I should like to see the unions right across the country press the point that where there are large profits, those profits be used for the purpose of reducing prices rather than for the purpose of increasing wages because in that way they would be increasing the value of their own wages. Everybody would benefit, including the people with small fixed incomes such as those receiving old age pensions. Everybody would benefit by a reduction in price and that reduction in turn would make our prices more competitive with those in other countries and thus make it possible for us to expand our exports.

The governor of the Bank of Canada, Mr. Coyne, points out that consumer spending has not been a major factor in this country. I think we should note that statement because so many people seem to think that the consumers have been going on a spending spree. I note what the governor had to say at page 15 of his report for 1956:

> Although certain forms of consumer expenditure financed to an increasing degree by a particular kind of credit expansion have contributed to the inflationary pressures, consumer expenditures in total have not been a major factor: consumers have not gone on a "spending spree" on the whole, and the rate of personal savings as a percentage of income has increased since the middle of 1955.

It is also interesting to note according to the October 12 edition of *Saturday Night*, that the managing director of the international monetary fund, speaking at the twelfth annual meeting of the world bank and international monetary fund, warned that today for trading nations deflation was a far greater danger than inflation. Perhaps I had better quote what the article said:

> The other development was the backing given the fund's managing director, Mr. Jacobbson, in his contention that smaller trader nations have more to fear now from deflation than inflation—a contention that has significance for Canada. Canadians have been echoing American warnings about the dangers of inflation. Our cost of living index has continued to rise. But at the same time prices for most of our raw materials are going down and we have more unemployment than a year ago.
>
> We hope Mr. Fleming listened carefully to what Mr. Jacobbson and his supporters had to say.

[Mr. Quelch.]

During the past six years there has been a tremendous expansion in capital investment. We have today created a tremendous productive capacity and we are in the process of turning out vast supplies of consumer goods. The greatest problem we are facing in the future is to maintain an effective demand against that production. I will agree that consumer debt today is too high. But if the total production is to be sold, and if consumer credit is to be restricted, then who is going to buy the goods that are today being bought with consumer credit? It is quite obvious that we shall be obliged to provide other sources of purchasing power by means of which to buy the total production of the country if we are going to curtail consumer credit. Otherwise goods will pile up, production will be restricted, capital investment will fall off and unemployment will steadily increase. Bankers invariably seem to be a little bit timid about a condition of full employment. They know there is a weakness in the present financial system. They know that when we have built up our productive capacity to turn out a tremendous volume of consumer goods, invariably there is difficulty in finding a market for that production. Mr. Coyne, the governor of the Bank of Canada, in his report for 1956 refers to that situation in these words:

> It is not an accident that periods of inflationary prosperity are usually followed by periods of dislocation in production and employment. One of the main purposes of efforts to contain inflation is to avoid this aftermath.

I would certainly agree that it is no accident, Mr. Speaker. It is a deliberately planned recession. It is what the bankers usually call a breathing spell. But unfortunately the unemployed are not paid during that breathing spell. Why are periods of prosperity, as pointed out by the governor of the Bank of Canada, invariably followed by dislocation and unemployment? That has invariably been the situation.

We have from time to time pointed out that the reason lies in the fact that owing to certain practices that are inherent in our present system industry is not able to maintain effective demand against its own production except in times of abnormal capital goods construction such as you have in wartime, in the development of a new country or at times when there is large scale foreign investment in the country as, for instance, we have in Canada at the present time.

We have always pointed out that that situation is largely owing to the practice of saving and the reinvestment of saving. I know that proposition is nothing new. That proposition has been propounded for many years by prominent economists such as

J. Maynard Keynes, Professor G. D. H. Cole and many others. I think perhaps it has been put most clearly by the president of the Canadian Bank of Commerce in his 1952 annual report when he refers to the problem in these words:

> If it is agreed that gross national production should as a minimum be sustained at present levels, then deterrents both to personal and corporate saving (investment) require immediate and careful examination. Income cannot be redistributed for consumption and at the same time invested to expand productivity without some serious strains developing—in short, deterrents to domestic investment must be examined and where consistent with domestic policies, be removed . . . Increasing consumption, both domestic and foreign, is necessary, if the heavier volume of goods and services arising out of our enlarged capacity to produce is to be absorbed.

If our objective is the optimum development of the resources of the country—and I think everybody would agree that it should be—and if a large percentage of income is to be diverted from the purchase of consumer goods to the production of more goods, then obviously purchasing power will have to be issued in order to finance the purchase of goods corresponding to the amount of purchasing power so diverted. Otherwise there is bound to be expanding consumer debt such as we have today. So when Mr. Coyne adopts a policy which is aimed at restricting credit for consumption, at the same time steps must be taken to provide for the purchase of those goods that are being bought with consumer credit. Otherwise, as I say, there is bound to be a slump, a fall-off in demand and an increase in unemployment.

In order to deal with that situation we have from time to time advocated the establishment of a national monetary commission, responsible to parliament, whose main responsibility would be to maintain the balance between the effective purchasing power of the people and the aggregate of prices of goods available for distribution. It will be their responsibility to keep a day by day check on the relationship between demand and supply. If they found that plants were running at a percentage of their capacity and if they found that demand was lagging behind supply, they would then take steps to increase the purchasing power of the people. We would suggest that the most logical way in which to do that would be to authorize a discount on the price of consumer goods so that the people's purchasing power might be equated with the aggregate of prices.

If for instance they found that demand was only 90 per cent of supply they could authorize 10 per cent discount on the sale of goods in order to equate demand with supply. Industry would sell the goods at 90 per cent of the cost, they would turn their slips into the chartered banks and be credited with the 10 per cent and the chartered banks would then recover the amount from the national monetary authority. In that way you would help to increase the purchasing power of the people, such help being of a non-inflationary character because the increase in money supplied in that case would be used for the purpose of reducing prices rather than increasing prices.

The amount of money so issued would be just enough to equate the lag between demand and supply. Money required for that purpose would be obtained from the Bank of Canada so as not to increase the debt charges to the nation. The government would deposit non-negotiable dominion certificates in order to receive the money. The rate of interest would be immaterial because all the profits of the Bank of Canada would go back to the government and they would therefore be receiving this money at actual cost.

I know that some will argue that if this is done you are going to expand the cash reserves of the chartered banks which will enable them in turn to expand their loans and cause inflation. That has been the argument in the past but it is not valid today because in 1954 when the Bank of Canada Act was under revision it was amended so that the Bank of Canada today has the power to alter the minimum cash ratio to be held by the chartered banks within the limits of 8 to 12 per cent of the deposit liabilities. This empowers the Bank of Canada to raise the cash reserve requirements up to 12 per cent. When this measure was before the banking and commerce committee the Social Credit party moved that the 12 per cent limitation be removed. We were supported by the C.C.F. group. We do not see any reason to have the 12 per cent limitation. The time may come when it will be desirable to raise the cash reserve requirements of the chartered banks above that level to whatever level the Bank of Canada may decide is necessary.

I intend to turn now to the question of markets because we feel the only real solution to our agricultural problems is the expansion of markets. Of course there are two markets, the home market and the external market. Of the two, the home market is by far the more important for this reason: the home market has to absorb an amount of production equivalent to the total production of the country. That is to say, it has to absorb the goods left within the country and, in addition, it has to absorb the imports brought into the country in exchange for our exports. That is why we in the Social Credit group have always insisted that if we

are going to maintain full employment and maximum production in this country we have to maintain the purchasing power of the people at a level which will make it possible for them to buy the total production of the country. Otherwise goods will be left unsold, unemployment will increase and the consumer debt will steadily rise.

There is no doubt that today we have a tremendous potential market in Canada. This could be used to buy more of our agricultural products and many of the other commodities that are being piled up in the form of inventories. We have a potential market in the unemployed, the old age pensioners, the recipients of war veterans allowances and many others and we can increase our market by extending the amounts paid to those individuals and also by the establishment of a discount on prices which I have already mentioned. If we have large supplies of certain goods in Canada the discount on these goods could be increased in order to encourage their consumption. Goods in short supply could be without the discount or with a smaller discount so there would not be the same encouragement to increase the consumption of those goods in short supply.

On the question of foreign markets, we all know that we have lost many of these. We claim the reason why we have lost these markets is the slavish adherence to the principles laid down in the Bretton Woods agreement, that is to say the right of nations to receive payment in their own currencies without any obligation whatsoever to accept goods in payment.

Now if we are going to insist on payment in dollars, and refuse to balance our trade with other nations then it would make it impossible for those nations to pay for their imports from us. For that reason we have suggested time and time again that we should be willing to accept sterling from the sterling area to the degree necessary to make it possible for that area to balance its trade with us. After all, what is the purpose of international trade? Surely it should be the exchange of goods and services between nations on a basis of mutual advantage. If we agree on that basis, then when we export goods the only currency we need is the currency of the importing nations, because it is that nation's currency which will buy that nation's goods.

I recall the former minister of trade and commerce often having argued that if we were to accept sterling we would not be in a position to spend it in a sterling area. Well fortunately many of us have had experience with sterling and have found that when we have a sterling balance in England we can use it for the purchase of goods in the sterling area and can ship them to Canada. I have done that myself. Therefore when anybody talks about not being able to use sterling balances in order to export goods to this country, they are just talking through the top of their hats; they are talking about something they do not understand.

I noticed last year that the right hon. A. B. Low, secretary of state for the board of trade in England, made that perfectly clear while he was in Canada. During an interview by the *Western Producer,* reported in their issue of October 11, 1956, he said that pounds sterling accepted by Canadian exporters for sales to Britain could be used for purchases of goods anywhere in the sterling area. I think therefore to the extent we have a favorable balance of trade with Britain we should be prepared to accept sterling in payment and then use our surplus for the purchase of goods from Britain. The Prime Minister has stated that he is anxious we should divert imports from the United States, such imports to be purchased from Britain. If we were willing to accept sterling we could very well use it to buy goods from Britain which we are today buying from the United States. In that way we would hope to reduce the adverse balance of trade with the United States.

On motion of Mr. Quelch the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Green: Mr. Speaker, tomorrow we wish to proceed with this debate. It is our intention on Thursday to take up the resolution to precede a bill to provide for cash advances on grain, and if that by any chance should not take all day Thursday we would go on with the resolutions appearing in *Votes and Proceedings* today.

At ten 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:

DUTIES ON SOYBEANS AND VEGETABLE OILS

Question No. 11—**Mr. Martin (Essex East):**

1. Has the government received any representations from any organization or individual that the rates of duty on all vegetable oils entering Canada to be used for edible purposes should be increased and that a parallel duty should be put on soybeans entering Canada?

2. If so, what action, if any, has been taken by the government to increase the rate of duty on soybeans and vegetable oils entering Canada for edible purposes, including those products which presently enter Canada duty free from commonwealth countries?

Answer by: **Hon. Donald M. Fleming (Minister of Finance):**

1. Yes. The government has received communications renewing representations made to the former government, and on which no positive action was taken by the former government, requesting that rates of duty on vegetable oils entering Canada to be used for edible purposes be increased and that a duty be put on soybeans entering Canada.

2. The government is reviewing the representations that have been made, and the various interests that would be affected. The government is also reviewing the extent to which international commitments made by the former government would stand in the way of possible action.

POSTAL CONGRESS—SIMILTANEOUS TRANSLATION OF DEBATES

Question No. 18—**Mr. Poulin:**

1. Did the government put into operation a system of simultaneous translation of the debates in the House of Commons, on the occasion of the international postal congress recently held in the parliament buildings?

2. If so, what was the installation cost of such system?

3. During how many weeks was the system in operation?

4. What was the maintenance and operation cost thereof?

5. Were the results obtained satisfactory?

6. How was such equipment disposed of by the government: (a) was it given, sold, leased, loaned or otherwise disposed of; (b) at what price or on what terms?

Answer by: **Hon. W. M. Hamilton (Postmaster General):**

1. The Department of National Defence installed for the universal postal union congress a transportable conference simultaneous translation system capable of being used for five languages at any location.

2. The cost of technical equipment in this installation was $30,000. Equipment to the value of $5,000 was already owned by the Department of National Defence and equipment to the value of $25,000 was purchased by the Department of National Defence with funds transferred to that department by the Post Office Department. The total cost of components, engineering construction, transportation and salaries of the Department of National Defence personnel employed in installation and operation was $50,000.

3. Seven weeks and two days.

4. Approximately $11,500.

5. Yes.

6. (a) The equipment was not disposed of. It is in the custody of the Department of National Defence and it is so designed that it may be used for future international conferences.

(b) See answer to (a).

HOUSE OF COMMONS

Wednesday, October 23, 1957

The house met at 2.30 p.m.

HOUSE OF COMMONS

CERTIFICATE OF JUDGMENT VOIDING ELECTION IN YUKON CONSTITUENCY

Mr. Speaker: I have the honour to inform the house that I have received from Hon. Mr. Justice J. E. Gibben of the territorial court of the Yukon and Hon. Mr. J. O. Wilson, of the supreme court of British Columbia, the two judges selected for the trial of an election petition pursuant to the Dominion Controverted Elections Act, a certificate of judgment in the matter of the election in the electoral district of Yukon, held June 10, 1957, declaring such election void. It is as follows. Shall I dispense?

Some hon. Members: Dispense.

Mr. Speaker: This document will be tabled and printed in the *Votes and Proceedings*. It is the judgment in the electoral hearing. Is it agreed that I dispense?

Some hon. Members: Agreed.

Mr. Speaker: I should also inform the house that the learned judges have stated that it was not possible to complete the notes of evidence so they could accompany the reasons for judgment, but they have advised that the typewritten evidence will be forwarded with the minimum of delay.

I have also the honour to inform the house that in conformity with section 69 of the Dominion Controverted Elections Act, chapter 87, revised statutes, 1952, I have issued my warrant to the chief electoral officer to make out a new writ of election for the said electoral district.

TRADE

STATEMENT BY MINISTER ON RECENT CONFERENCES

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, on October 15 the hon. member for Essex East (Mr. Martin) asked me certain questions pertaining to matters arising out of recent trade conferences, and I indicated at that time that I should be glad to make a statement, if it were the wish of the house, on the subject of the trade proposals and the various recent trade conferences. The following day the hon. member pursued his question further and asked if I would include in the statement reference to the conference at Washington. Similar questions were asked by the hon. member for Richelieu-Vercheres (Mr. Cardin).

I should like to bring that statement to the house now; and as the conferences were three in number, somewhat different in character and circumstances, and all of some importance, the reports I am about to make are not as short as I should have wished they might be. The first of these conferences—

Mr. Martin (Essex East): Mr. Speaker, will my hon. friend permit an interruption? Would he not think it would be more convenient if the statement could be made under circumstances which would permit interrogations?

Mr. Fleming: Mr. Speaker, there will be ample opportunity for the submission of questions on the statement on the orders of the day, in accordance with the practice of the house. I shall be glad to deal with them.

The first of these conferences was the conference of commonwealth finance ministers held at Mont Tremblant. That conference was proposed by the Prime Minister when he attended the conference of prime ministers at London last June. It has been the practice for the commonwealth finance ministers each year to hold a meeting following the annual meeting of the governors of the international bank and the international monetary fund at Washington. Those meetings have normally been held at Washington. On this occasion our Prime Minister proposed that the conference should be held in Canada, and that invitation was accepted.

The conference was attended by all the finance ministers of the commonwealth with the exception of New Zealand, which was represented by its minister for external affairs. The Canadian representation consisted of my colleague, the Minister of Trade and Commerce (Mr. Churchill), and myself, and we were supported by a very strong team of Canadian officials drawn from the departments of finance, trade and commerce and external affairs.

The preparation for the conference was intensive. It continued throughout the entire summer.

The selection of Mont Tremblant as the venue of the conference was indeed a happy one, and the circumstances there contributed very greatly to the creation of a friendly atmosphere which was conducive to understanding and to agreement.

The agenda of that conference consisted of three topics. The first concerned matters in relation to the pound sterling and problems of exchange in relation to sterling. The second topic concerned the proposed European free trade area or the European economic integration, as it is called.

These two topics were discussed at the sessions of the conference on the Saturday. On the Monday and Tuesday the conference devoted its consideration to the Canadian proposals for enlarging trade within the commonwealth and improving economic relations among the countries of the commonwealth. As hon. members are aware, the conference achieved agreement, and the extent of the agreement and the enthusiasm with which that agreement was hailed by the ministerial representatives of the commonwealth countries are alike testimony to the success of the conference. It is a pleasure indeed to assure the house that as the result of the unanimous decision that was taken at that Mont Tremblant conference, a full dress commonwealth trade and economic conference will be held some time next year. The place has not been finally decided. The date has not been finally decided. The Canadian government has extended to the governments of the other countries of the commonwealth an invitation to hold the conference in Canada. In due course we expect a final answer to that invitation.

I draw the attention of hon. members to the fact that a great deal of preparation, as was recognized by the ministers of finance, will be required for such a conference, and plans have been made and are proceeding for a conference of officials, drawn from the various countries, to be held at a time and place yet to be agreed upon. The officials will have the responsibility at such a meeting for shaping the agenda for the conference and arranging plans.

I wish, in concluding my remarks on the Mont Tremblant conference, to say that in the closing meeting of the conference, which was public, minister after minister testified to his belief that the conference had achieved significant results and had done something worthy in strengthening commonwealth consciousness and fellow feeling. By leave of the house, Mr. Speaker, I now table the communique that was issued at the close of the conference by the ministers there present.

[Mr. Fleming.]

Mr. Speaker: Is it the pleasure of the house that this document be tabled?

Some hon. Members: Agreed.

Mr. Fleming: I turn now to the second subject, which concerns bilateral discussions between Canada and the United Kingdom. Prior to the Mont Tremblant conference we had received information from the Chancellor of the Exchequer that it was the wish of the United Kingdom ministers who were attending the conference to come to Ottawa at the conclusion of the Mont Tremblant conference for a discussion of matters of mutual interest. We had no indication of the particular matters they proposed to discuss with us when that suggestion was made to us. We, of course, said the Canadian ministers concerned would be more than pleased to make themselves available to meet with their counterparts in the British government in any discussions. I stress the fact that there was no indication of an agenda, and that there was no suggestion of a formal conference. I think that fact needs to be clearly understood.

On the Saturday, during the progress of the first day's sittings of the Mont Tremblant conference, a news story appeared in the Montreal *Daily Star*, and copies of that newspaper became available during the afternoon recess at Mont Tremblant. That news story purported to refer to the intention of the United Kingdom ministers to propose the establishment of a free trade area between the United Kingdom and Canada. I had been designated by the conference as its chairman and also as the individual to give to the press each day statements on such matters as were discussed at the conference. The house will realize, of course, that the proceedings of the conference were closed.

Mr. Pickersgill: Secret.

Mr. Fleming: A meeting was arranged with the press that evening for that purpose. In the course of the meeting questions were asked concerning the proposal that had been reported in the news report to which I have just referred. The Chancellor of the Exchequer and I were both present and took part in the conference. In reply to those questions the Chancellor of the Exchequer outlined a proposal which he indicated he intended to submit to the Canadian government when he came on to Ottawa the following week at the conclusion of the Mont Tremblant conference. It was a proposal, as he indicated in reply to various questions, for the establishment of a free trade area between the two countries, and to achieve it on a progressive basis over a period of years.

It was obviously a very far-reaching proposal. In the course of that conference I was invited to state the attitude of the Canadian government with respect to that proposal. Obviously it would have been improper of me to do such a thing under the circumstances. The proposal had not yet been submitted. Obviously it had never been before the Canadian government. I was just listening in the course of Mr. Thorneycroft's answers to the questions put to him at the conference as to the features of the proposal as he unfolded them at that time, and I declined—and I think quite properly so—to make any comment on that proposal except to say that I thought it would be realized that it would involve formidable difficulties in any consideration that might be given to it by the Canadian government. However, until the proposal had been set forth and submitted, I indicated that I could not undertake to make any comments on it.

That, Mr. Speaker, was the end of that matter so far as the Mont Tremblant conference was concerned. That matter was never discussed at the Mont Tremblant conference. It never had any place whatever in the proceedings of the conference. Indeed, it would not have been permissible to introduce it. In that conference we were engaged in a discussion of commonwealth trade and the Canadian proposal for the holding of a commonwealth trade and economic conference. I may say to the house that no bilateral arrangements were discussed in the course of the conference proceedings.

I hope, Mr. Speaker, that what I have said will leave no room for doubt, and that there will be an end to such confusion as has been evidenced on this subject.

At the conclusion of the Mont Tremblant conference two of the British ministers, the Chancellor of the Exchequer, Mr. Thorneycroft, and the president of the board of trade, Sir David Eccles, came on to Ottawa. In the course of two or three days of meetings here the United Kingdom ministers submitted a proposal in relation to the establishment of a free trade area between Canada and the United Kingdom to be brought about over a period which, we were told, might be in the neighbourhood of, say, 12 to 15 years.

I wish here to say one word by way of clarification of a matter which has been referred to more than once in this connection. That is the matter which the Prime Minister mentioned on his return to Ottawa from the conference of prime ministers last summer, when at the airport he pointed out in reply to questions put to him that the diversion from the United States to the United Kingdom of 15 per cent of the purchases which Canadians are now making in the United States would redress a trade situation which I think must and does give a great many Canadians serious concern.

This concern is based upon two principal considerations, the first being the extent to which the Canadian trading eggs are being laid in one basket, in other words the extent to which Canadian external trade is—

Mr. Knowles (Winnipeg North Centre): I rise on a point of order, Mr. Speaker. I recognize that this is one of those difficult problems with which Your Honour will have to deal, namely the latitude to be allowed to ministers in making statements on the order for motions. You will find in the records of this house plenty of discussions on this point in which my hon. friends opposite have taken part. It does seem to me that the house is willing to accept the practice that ministers be permitted, either on motions or on orders of the day, to make announcements, statements of ministerial changes or explanations of government policy having the character of an announcement or being of an urgent nature. This is shown by the fact that the house was generous today in not objecting to what the Minister of Finance asked for at the start. But with all respect it does seem to me he is now really indulging in debate. He has not announced anything new. He has commented on things that have been said about statements made by the Prime Minister and, with respect, I think Your Honour should consider whether this is the time to make a statement like this.

I am not quarrelling very much as to the difference between making statements on motions and on orders of the day. That difference is not great. If a statement is made on motions we can ask questions on orders of the day, but I think it has been ruled in the past that it is better to make such statements on orders of the day so that members can ask questions right away. I question, however, whether this statement should be made on either orders of the day or on motions. It is not an announcement of government policy; it is a matter of debate, and I think the minister should have waited his turn to take part in the debate on the address. That is still in progress, and I think it is not in order for the Minister of Finance to make such a statement at this time.

Hon. Paul Martin (Essex East): Mr. Speaker, when I intervened at the opening of my hon. friend's statement today I asked if he could not make his statement under circumstances which would permit interrogation. I had in mind precisely the point now raised by the

hon. member for Winnipeg North Centre (Mr. Knowles). Under the rules of this house I would submit to you, Mr. Speaker, with great respect, that this kind of statement at this particular juncture and under these circumstances is not in order. My hon. friend can take the time of the house in respect to this very important matter, even today, during the debate which is now formally before the house. That would afford other speakers on this side and elsewhere an opportunity to make speeches in reply.

A more preferable arrangement, I strongly suggest to the Minister of Finance, would be, for instance, when we are discussing, let us say, international affairs along the lines indicated by the Prime Minister himself the other day, when I assume we would be in committee and would have the opportunity of putting to the Minister of Finance questions arising out of the very important matter about which he is seeking now to make so inadequate a statement.

Mr. Speaker: I appreciate what hon. members have drawn to my attention, and perhaps I should say a word before any further steps are taken along this course. As I understand it, what was done in the last two parliaments, at least when there was an important statement to be made by a minister, was for that statement to be made either at this time or on the orders of the day. Then the Leader of the Opposition and the leaders of the other two opposition parties were given an opportunity to make a brief comment or to ask a question about the statement in order that it might not simply be a unilateral statement, if it was an extended statement such as this.

I had that practice in mind when I allowed the matter to proceed, thinking that it might be satisfactory to the house if, when the Minister of Finance had finished, the leaders of the opposition parties were to do that.

Of course there is no question before the house, and we cannot carry on a general or an extended debate; we are under the limitation restricting comments and replies in that way. Since we have gone this far, and I trust that the minister's statement is practically finished, I suggest we might follow the course I had in mind, and that the house will consider it a satisfactory way of dealing with this matter.

Mr. Fleming: Mr. Speaker, I do not think I should make any comment except to say that there are many precedents which can be pointed out, and that I had prepared the statement at the request of the hon. member for Essex East.

Mr. Speaker, I was mentioning the background of the matters discussed in the informal discussions here in Ottawa. The basis of what the Prime Minister said on the occasion I mentioned, having regard to the deficit in our trade with the United States, was to seek a diversion from the United States to the United Kingdom of purchases that Canada is now making from the United States. It was not part of that proposal to divert to the United Kingdom purchases by Canadians of Canadian products. The proposal of the United Kingdom ministers therefore introduced quite a new dimension into the considerations which had arisen out of the Prime Minister's reference.

In these several days of discussion here in Ottawa many matters pertaining to the trade interests of the two countries were discussed. The proceedings were very informal in character; the discussions were frank and friendly. The discussions were necessarily of a preliminary character because, for instance, the United Kingdom ministers were not authorized to discuss the question of imports of Canadian agricultural products into the United Kingdom.

It was agreed in the light of the discussion, and of the circumstances, that it was important to achieve the holding of the commonwealth trade conference next year, and as the proposal of the United Kingdom was of a long-range nature, which neither required nor was expected to be given immediate consideration by the Canadian government, or even consideration prior to the commonwealth trade and economic conference, that the matter should rest there in the form in which it was referred to later in the communique which was issued.

As to the proposals advanced by the Canadian government, I mention this only briefly to indicate that we propose to seek, wherever possible, to transfer government purchases that are now being made in the United States to the United Kingdom on terms that are fair to all concerned; to enlarge as soon as may be the amounts of goods purchased that tourists may bring back with them following visits to the United Kingdom.

Then in the third place—and this, in the view of the government, is one of very considerable importance, sir—we propose to send to the United Kingdom next month the most important trade mission which Canada has ever sent abroad. It will be a large trade mission; it will be a mission sponsored by the Canadian government, and it will include leading representatives of business, industry, labour, agriculture and other primary production from all areas of Canada.

In leaving that subject, sir, may I table the communique or agreed statement that

was issued by the ministers of the two governments, the United Kingdom and Canada, at the conclusion of the Canada-United Kingdom talks on October 4.

Mr. Speaker: Is it agreed that this communique be tabled?

Some hon. Members: Agreed.

Mr. Fleming: The third of the conferences, Mr. Speaker, was held at Washington. It was the third meeting of the joint United States-Canadian committee on trade and economic matters. The first two meetings of that committee had been held in March, 1954, and September, 1955, respectively. This, therefore, was the first meeting of that committee in more than two years; and, having regard to the fact that there had been a change of government in Canada, it was particularly opportune that the meeting should then be held.

The Canadian ministers who were members of the committee went to Washington then at the invitation of the United States government. The committee has definite limits set upon the scope of its consideration. Its terms of reference are limited, sir. They are, first, to consider matters affecting the harmonious economic relations between the two countries; second, in particular, to exchange information and views on matters which might adversely affect the high level of mutually profitable trade which has been built up; third, to report to the respective governments on such discussions in order that consideration may be given to measures deemed appropriate and necessary to improve economic relations and to encourage the flow of trade. The purpose of the conference, therefore, broadly speaking was an exchange of points of view.

The committee has no power of its own to arrive at definite conclusions.

The purpose of the Canadian delegation, which consisted of four ministers, my colleagues the Minister of Trade and Commerce (Mr. Churchill), the Minister of Agriculture (Mr. Harkness), the Secretary of State for External Affairs (Mr. Smith) and myself, assisted by a very strong team of officials from the four departments concerned, was to place before the four members of the United States cabinet the point of view that we considered to be a true representation of the feeling of the Canadian people concerning the trend of trade between the two countries, and the effect upon the well-being of Canadian agriculture of the policies being followed by the United States administration in the disposal of agricultural surpluses.

The proceedings were informal, intimate, frank and friendly. The discussions were characterized by a vigorous presentation of the points of view of both governments, and I may say that so far as the presentation of the Canadian point of view was concerned it was put forward just as vigorously as it has been put forward at any time by the persons concerned on the floor of this House of Commons.

Now, sir, the proceedings continued for two days. As to the results of the conference, I think briefly they can be put under four headings. First, I think there was value in the conference in that it afforded an opportunity for a frank exchange of points of view; second, it afforded an opportunity for the exchange of information, and in that exchange I think representatives of both countries derived information that will be of benefit to them in shaping their policies in certain respects. Third—perhaps this may not be so important—it afforded an opportunity for the ministers of both countries to become acquainted with their opposite numbers; and fourth—and perhaps of most direct interest—was the decision that was arrived at in reference to one particular feature of the methods pursued by the United States administration in the disposal of agricultural surpluses. We received from the four United States secretaries an affirmation in these terms:

> The United States members affirm to the Canadian ministers their intention in all surplus disposal activities to avoid, in so far as possible, interfering with normal commercial marketings.
>
> They gave assurance that under the present revised commodity credit corporation barter program each barter contract must result in a net increase in exports of the agricultural commodity involved, and that interest must be paid until the strategic materials are delivered or payment is otherwise effected for the agricultural commodities.

The United States administration, through the secretary for agriculture, had made a somewhat similar statement about the middle of the summer in regard to the barter feature of the methods pursued by the United States administration in disposing of agricultural surpluses. This is the first time to our knowledge that this has become a matter of undertaking on the part of the United States administration to any other government. While we would like to have seen some assurances that all the objectionable features in the methods pursued by the United States administration—that is, objectionable from the Canadian point of view—in their agricultural disposal program would be eliminated, at any rate this was an assurance that, so far as it went, we were glad to receive.

Now, sir, I think I should ask the leave of the house to table the communique that was agreed upon at the conference and was

issued on October 8, embodying the conclusions and reviewing the nature of the discussions on various topics carried on at that conference.

I make just this one observation in conclusion, Mr. Speaker. While the realm of positive agreement resulting from the Washington meetings is necessarily limited, limited by the nature of the meeting and limited by the powers of the committee, it was felt by the Canadian ministers who attended that conference that the conference had served a very useful purpose.

Right Hon. L. S. St. Laurent (Leader of the Opposition): Mr. Speaker, I wish to assure you at once that I am not going to overlook your warning that this could not be the occasion for a debate. Hon. members on both sides will have their own views as to how near or how close to a debate on the subject the Minister of Finance chose to tread. The conferences in question have all had to do very much with all the external trade policies of the Canadian government, and certainly cannot be dealt with in the limits that are indicated in the warning you gave when a point of order was submitted to you a few moments ago.

There will certainly be other opportunities, because there are very diverging views as to the achievements the hon. gentleman has mentioned in the statement he made today. The substance, I think, is summarized as glamorously as it could be made to appear in the communiques which have been laid on the table and which we have all had the opportunity of reading in the press before this day. The views that have been expressed about the limited extent of those achievements are not apt to be very much affected by the statement we have just heard from the Minister of Finance.

It may very well be that there will be some questions on the orders of the day or at another more opportune moment to elucidate some of the points touched upon by the Minister of Finance in his statement, and there is no doubt that, Canada being in proportion to its population perhaps the most active trading nation in the world, there should be all sorts of complications resulting from the channels trade takes in the interests of those who are engaged in that trade.

It may be that the hon. gentlemen feel that the methods that were resorted to by the previous government can be pursued with greater vigour by them than they were by their predecessors, but that also is a matter about which there are very serious diverging views. The only new suggestion that seems to have arisen with respect to this attempt to divert trade, not from Canadian production but from United States sources to United Kingdom sources, is the increase in the allowance that tourists may have for purchases made in the United Kingdom on the occasion of a trip to that country. That would not have any substantial effect in diverting trade from United States sources to British sources and would perhaps have some effect, although not serious, upon a possible diversion of some trade from Canadian production to the producers of the country the tourists would have visited.

These are all matters that deserve very careful consideration, and about which more will be required than the statement just made by the Minister of Finance to destroy the impression that nothing very new has transpired.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I suggest to you first that it might be well to look into what constitutes a ministerial statement, because in reality I think the statement made by the minister today should have been made on the address in reply to the speech from the throne so that we might have debated the matter. However, I am going to ask the minister a question. One cannot deal with the United Kingdom proposition, one cannot deal with commonwealth trade, one cannot deal with commercial relations with the United States in one question, but I am going to confine myself to one question.

In view of what the minister said about the satisfactory outcome of the discussions with the secretary of agriculture and others in the United States, may I ask him this question. Has he seen the report that the secretary of agriculture of the United States, Mr. Benson, is about to proceed to Japan, where he hopes to enter the wheat market which we have so assiduously cultivated over the last number of years and where we have gained a very pronounced entry to our benefit, with a view to entering into a trading agreement with Japan whereby the United States will take Japanese currency for American wheat and invest the proceeds in Japan? Has the minister seen that report? If not, I would refer him to the financial page of the Montreal *Gazette* of today's date.

Mr. Fleming: Mr. Speaker, I have not seen the report in question, but I can assure the hon. member that no ground was given by the Canadian ministers at Washington—

Some hon Members: Oh, oh.

Mr. Fleming: —in regard to the methods being pursued by the United States in disposing of their agricultural surpluses. There has been very strong denouncement and very strong disapproval expressed of the methods

being pursued, particularly with regard to the way they are hurting the marketing of Canadian agricultural products.

Mr. Coldwell: Then I say that the minister's presentation to the house this afternoon was merely a confession of failure.

Mr. Fleming: Far from being a confession of failure, it was a report to the house on the strong position taken by the Canadian ministers at Washington.

Some hon. Members: Oh, oh.

Mr. Fleming: No stronger position could have been taken by any Canadian government. Indeed, it was the strongest position that has ever been taken by any Canadian government in such discussions at Washington.

Some hon. Members: Hear, hear.

Mr. Winch: Mr. Speaker—

Mr. Speaker: Order. If there is no spokesman for the Social Credit party I would ask other members to hold their questions, if they have further questions, until we reach orders of the day, so that we may at least preserve the appearance of not having engaged in a debate.

Mr. Harold E. Winch (Vancouver East): That was the very point on which I was rising. I wanted to ask you, Mr. Speaker, whether or not the completely new precedent of cabinet ministers making statements before the orders of the day also embraces the opportunity for others to comment and debate, as was actually done by the minister, or is this a new precedent that can be made use of only by the Conservatives on the government side of the house?

Mr. Robichaud: It could be a new kind of closure.

Mr. Solon E. Low (Peace River): Mr. Speaker, I did not rise to ask a question or to say anything at this stage on the statement made by the Minister of Finance. I did not do so for the reason that my colleague the hon. member for Acadia (Mr. Quelch), still has about seven or eight minutes of his time left in the speech from the throne debate, and he will be commenting on the statement in the course of what he has to say.

Mr. Winch: Is it possible to have an answer?

Mr. Speaker: It is not customary to ask the Speaker hypothetical questions. I take it that the hon. member's comments have been heard by the house. They were probably out of order as well as some of the other things that have been done here. I may say to the house that it has been quite customary for ministers to make important statements on the order for motions.

Mr. Pearson: Never like that.

Mr. Speaker: No one knows in advance what will be their content or extent, or how far they will develop into an argument, and we just have to take these matters as they come. I think the house will agree that no further discussion should take place at this time.

[*Later:*]

On the orders of the day:

Mr. Martin (Essex East): May I ask the Minister of Finance if I am right in concluding that the first time he heard of the British proposals was on the occasion of the recent visit of the Chancellor of the Exchequer, or is it not a fact that he first learned of this proposal from the mouth of the Minister of Food and Agriculture on September 10 last, and that a few days later the president of the board of trade journeyed from Washington to visit the Prime Minister when he was at the United Nations to acquaint him with the details of the proposal for a free trade area between the United Kingdom and Canada?

I should like also to ask the Minister of Finance if he would not table the proposals which he said were put forward by the government of Canada through him at Mont Tremblant. Would he not table the details of the British proposal itself, because I say to him with great respect, realizing the limitations of time today, I do not think we are clear yet as to what are the full details of the British proposals.

Also he may tell us whether, when he was in Washington, there was a serious discussion of a proposal made by the Prime Minister of Canada as to the diversion, to the extent of 15 per cent, of Canada's purchases from the United States to the United Kingdom. Is the press accurate in saying that the Minister of Finance said that the Prime Minister's proposal really was an afterthought, and not to be taken too seriously?

Mr. Fleming: I lost track of the number of questions, and I am not sure that I can remember them in their multitudinous profusion. I shall deal with them as well as I can remember them.

First of all let me say this, that the first time the Canadian government received any formal proposal or anything at all that could be said to be definite in regard to that proposal—

Mr. McIlraith: Formal?

Mr. Fleming: Who is giving the answer? May I give the answer?

Mr. Pickersgill: Why don't you answer the question?

Mr. McIlraith: Nobody is giving the answer.

Mr. Fleming: If the hon. member for Bonavista-Twillingate wishes to give the answer, perhaps the time of the house can be saved. If he knows all the answers then he should satisfy the curiosity of the hon. member for Essex East.

The first time the Canadian government received that proposal, as a proposal with any aspect of definiteness to it at all, was when on returning from Mont Tremblant and arriving in Ottawa I received a written communication from the Chancellor of the Exchequer embodying the proposal; that was the first time. The hon. member asks about the visit of the British Minister of Food and Agriculture, Right Hon. Derick Heathcoat-Amory. When Mr. Amory was here in the course of a tour across Canada he touched very lightly on the possibility that the United Kingdom ministers, when they came here later on, might be putting forward some suggestion of a free trade area. But he did not put forward any proposal, on behalf of his government, as a proposal to the Canadian government. Let me make that very clear.

What was next in this group of questions? Oh, yes; the hon. member referred to some trip that Sir David Eccles is supposed to have made to this country.

Mr. Martin (Essex East): No, the trip Sir David Eccles made from Washington to visit the Prime Minister when he was at the United Nations.

Mr. Diefenbaker: That is not true.

Mr. Fleming: The Prime Minister says that is not true. I think that is plain. Sir David Eccles was one of the British ministers attending the Mont Tremblant conference with the Chancellor of the Exchequer. He came to Ottawa for the several days of discussion. There was a third member of the British cabinet, Right Hon. Reginald Maudling, the paymaster general, who attended the Mont Tremblant conference but who did not come on to Ottawa.

The next question the hon. member asked was whether this had not been discussed in Washington. The hon. member shakes his head, so may I get the question right?

Mr. Martin (Essex East): The question I asked about Washington was whether or not my hon. friend discussed the proposal made to the press gallery by the Prime Minister of Canada, that there should be a diversion of Canadian purchases from the United States to the United Kingdom. The report is that the Minister of Finance said that that proposal was a long-term one, and the impression was created from reading the particular article that the Minister of Finance did not believe the proposal by the Prime Minister of Canada was to be taken too seriously.

Mr. Fleming: The hon. member for Essex East has got his facts all wrong, as usual. Let me say this. There was nothing said by the Minister of Finance to the press at Washington or elsewhere to indicate or suggest that what the Prime Minister of Canada had said about a diversion of trade from the United States to the United Kingdom was not to be taken seriously. On the contrary, what the Minister of Finance said on all such occasions was that obviously this is something that cannot be accomplished overnight. It never was suggested it could be accomplished overnight, but it was put forward by the Prime Minister as an objective and it remains an objective of the Canadian government. If the hon. member wants the reasons I can give them to him.

Mr. McIlraith: Do it on a proper occasion.

Mr. Fleming: Oh, I see. It is all right for the questions to be asked with all the insinuations in them, but the questions are not to be answered when it does not suit the purposes of hon. gentlemen opposite. It is the same old closure complex.

Mr. McIlraith: You have no respect for any of the rules of the house.

An hon. Member: How many helpers has he?

Mr. Fleming: I am trying to remember question No. 5, Mr. Speaker. Perhaps my hon. friend will assist me.

Mr. Martin (Essex East): Question No. 3 was whether or not my hon. friend would table the British proposal. Question No. 4 was this. Will he table the Canadian proposal which he said the government brought to the conference at Mont Tremblant?

Mr. Fleming: The hon. member well knows that exchanges between governments cannot be tabled. They are secret communications and are always privileged. How many times have I heard the hon. gentleman and his colleagues assert that position in the house: "These were secret communications". The communication by the Canadian government of its proposal in this respect to the other commonwealth governments was a secret proposal, as the hon. gentleman well knows, and the communication that we received from

the Chancellor of the Exchequer was a secret communication and is privileged. The hon. member should not attempt to try to give anybody the impression that this is a departure from the position that he and his colleagues took day in and day out in the house.

Mr. Pearson: And you objected to it.

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of Finance. Is it true that following on his visit to Washington he was "fixed"? Is it equally true that after the British proposal on free trade he was transfixed?

Mr. Fleming: Mr. Speaker, the answer to both questions is no. The hon. member, of course, refers to a remark which the United States secretary for commerce, Mr. Sinclair Weeks, dropped on his way out of one of the sessions of the conference. In order that the record may be fair on this point I think I should say that, when I was in Washington, I heard about this remark that was attributed to Mr. Weeks, the remark being "We fixed 'em". I realized at once that it was purely a jocular remark—

Some hon. Members: Oh, oh.

Mr. Fleming: —because it had no validity as applied to anything that happened in the conference. Naturally, under the circumstances, I was a little disappointed to find that some newspapers not friendly to the new government took this comment up and tried to make much of it. I therefore communicated with Mr. Weeks about it, realizing that this use that was being made of a chance jocular remark did not do him justice. Mr. Weeks issued, from the United States embassy here in Ottawa several days ago, the following statement:

> I was deeply concerned to learn that the meaning of a chance colloquialism of mine is being misrepresented to give a false impression of the fine accomplishments and excellent team work resulting from the recent conferences between representatives of Canada and the United States.
>
> As I left one of the meetings I was asked for comments and in a hurried jest without even pausing for discussion I responded, "We fixed 'em" —obviously meaning only that we, all of us, Canadians and Americans together, had fixed or settled a lot of things. The fact is that never have I said or implied or felt that the meeting was other than a great success from the standpoint of our mutual objectives. This year's meeting was the third in which I have sat and one of the best of the whole series.
>
> No peoples are more closely bound by friendship and respect than are Canadians and Americans. The grave problems of this age are compelling reasons for greater mutual understanding and cooperation.
>
> It is this spirit of respect and friendship and not distorted chance remarks that reveal my appreciation of the representatives of Canada and their great independent nation. Such esteem, I assure you, is shared by all Americans associated in the recent conference.

Mr. Peter Stefura (Vegreville): Mr. Speaker, I should like to direct a question to the Minister of Finance. Has the government given consideration to the acceptance of sterling in an effort to increase Canadian exports to Britain and other commonwealth nations? If so, has a decision been reached, and what was the nature of that decision?

Mr. Fleming: No such proposal was made to the Canadian government.

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, I should like to direct a question to the Minister of Finance with regard to the recent discussions in Washington. Was the minister made aware of the tie-in or tie-up between the metal crisis at this time and the disposal program of the United States government? This is a matter of a good deal of interest at this time because of the crisis existing in metals in Canada at this time.

Mr. Fleming: Mr. Speaker, that matter was discussed. It was a matter of considerable concern to the Canadian government, and we were extremely anxious to know what were the plans of the United States government both with regard to the possibility of continued stockpiling and also with reference to the possibility of tariff action against Canadian metals, in particular zinc and lead. This matter was fully discussed, and in the communique the hon. member will find reference to the subject.

So far as the first matter is concerned, namely the policy on stockpiling, I may tell him that the United States government is not continuing the policy of stockpiling of these particular metals which Canada has been exporting in quantity to the United States. So far as the possibility of future United States tariff action against Canadian lead and zinc is concerned, the communique contains the following:

> The Canadian ministers expressed concern over the effect on Canadian producers which would result from any future action by the United States to raise duties on imported lead and zinc. The United States members explained the situation confronting their domestic producers. They called attention to the continued need for imports of certain minerals and metals and indicated that any United States tariff action that might be taken to relieve serious injury to United States producers would have the primary objective of maintaining a normal relationship between imports and domestic production. They noted that any such action would be applied in accordance with the procedures of the general agreement on tariffs and trade.

I am sure the hon. member is aware that the United States tariff rates on importations of lead and zinc—and this applies to imports

of these two base metals from Canada—are bound by the general agreement on tariffs and trade. If the United States congress at the next session proceeds to increase tariffs on imports of lead and zinc so far as Canada is concerned, it will mean that the United States will have to obtain, from the countries which are signatories to GATT, agreement to waive the provisions in that respect. That will give the countries concerned the right, if they so choose, to demand concessions.

In conclusion I may assure the hon. gentleman that the Canadian government regards this as a matter of serious concern, and pressed the case of the Canadian producers of zinc and lead very firmly and very hard.

Mr. Byrne: Pressed it how?

Mr. Fleming: Yes, we pressed the case for the Canadian producers of all metals. There was extensive discussion on the subject.

Mr. Byrne: The *Financial Post* article dated October 19 last seems to indicate that there was a close tie-up between the American disposal program and the present price of metals. That was my question.

Mr. Fleming: Well, Mr. Speaker, I have not seen the article to which my hon. friend refers, but if the *Financial Post* is no more accurate in that article than in the one appearing during the week before which was quoted last Wednesday by the Leader of the Opposition, then, believe me, there is not one jot or tittle of accuracy in it.

Mr. Sinclair: The freedom of the press.

Mr. Coldwell: I would like to ask a supplementary question which has a bearing on the main question asked. When the minister was at Washington may I ask if there was any understanding arrived at regarding any limitation of our exports of coarse grains to the United States? Several years ago we agreed that we would limit the exportation of oats. I remember that distinctly, and I am wondering if perhaps some other farm commodities were discussed; or is the arrangement still in effect whereby we voluntarily limit the export of certain farm commodities to the United States? If so, does the minister not think, in view of the United States actions in regard to our foreign markets, we might withdraw such an undertaking if it is still in effect?

Mr. Fleming: That subject was not discussed at Washington. Obviously it was not the sort of subject which was in our interest to raise, and the United States secretaries did not raise it either.

[Mr. Fleming.]

Mr. Coldwell: Why not? Why is it not in our interest to raise this subject when it is our limitation? We had agreed several years ago on the limiting of exports of certain coarse grains to the United States, in the interests of the United States because they had a large production surplus. Is that agreement still in effect? The minister might look into it.

Mr. Fleming: Yes, but I might assure my hon. friend that that subject was not raised. There was an extended discussion as to the marketing by both countries of their agricultural products, we being in the position of complaining about the methods pursued by the United States administration; but so far as the subject of agreed quotas is concerned, such quotas being imposed by the exporting country on its own exports, that subject was not raised.

Hon. L. B. Pearson (Algoma East): Mr. Speaker, in view of the fact that I may not have fully understood some of the answers given this afternoon, may I ask the Prime Minister this very simple question. Did he attend a meeting with the United Kingdom president of the board of trade in New York at the opening of the United Nations assembly?

Right Hon. J. G. Diefenbaker (Prime Minister): When I was in New York to speak at the United Nations a luncheon was arranged at which one of the guests was Sir David Eccles, who was en route to Washington. There was no meeting at any time with him in New York with reference to any questions which have been raised here today. It was simply a social gathering at noon at which, by reason of our relevant positions, we were placed side by side.

Mr. Gerard Legare (Rimouski): I would like to ask a question of the Prime Minister. The Prime Minister's picture having been published in 12 of the last 16 issues of *Time* magazine, is it the intention of the government to abolish the special tax on Canadian editions of American publications?

Mr. Stefura: I would like an answer to the question which I asked previously. That was, has the government given consideration to the acceptance of sterling in an effort to increase Canadian exports to Britain and other commonwealth countries? If so, has a decision been reached and what was the nature of that decision?

Mr. Fleming: I have already told my hon. friend that question has not even been raised by anyone.

Mr. Stefura: Not among yourselves?

Mr. H. W. Herridge (Kootenay West): I would like to direct a supplementary question to the Minister of Trade and Commerce. Has the minister yet been able to determine in his own mind if the backstairs entry of two trade commissioners into China is an official mission?

Hon. Gordon Churchill (Minister of Trade and Commerce): Perhaps the hon. member will confine the inquiry to the intricacies of his own mind.

Some hon. Members: That is a proper question.

Mr. C. E. Johnston (Bow River): I would like to ask a supplementary question to one which was asked previously by the member for Vegreville (Mr. Stefura). Will the Minister of Finance and his government give serious consideration to the acceptance of sterling in part payment at least for our exports to Great Britain? The reason I ask this question is that I consider it to be very serious, particularly in our part of the country; and this was something which was promised by the Conservatives in the last election.

Mr. Fleming: Mr. Speaker, I must correct the hon. gentleman's statement which he appended to his last question. There was no such promise made in the campaign at all.

Mr. Sinclair: There was by my opponent.

Mr. Fleming: Well, it was not a promise made on behalf of the Conservative party. My hon. friend can hold his local debates to his heart's content, but I make the assertion that no such undertaking was given to the Canadian people during the last election.

To deal with the question, however, until somebody asks us to accept sterling in part payment for Canadian exports I see no reason why we should go out looking for the opportunity to purchase sterling.

Mr. Knowles (Winnipeg North Centre): Are you not trying to sell our wheat?

Mr. Fleming: We are interested in the flow of two-way trade between Canada and the United Kingdom, and we are interested in the flow of commonwealth trade. We think this would be a good thing in rectifying the weaknesses in the Canadian trade position. However, until some of the countries on a sterling basis regard this as a matter of sufficient importance to them to come and ask us to accept such an arrangement, I do not see any reason why we should go out proposing to take sterling. We are interested in the two-way flow of trade and payment by commodities that are being purchased from non-commonwealth sources.

Mr. Quelch: Did anybody ask the United States to accept foreign currency for their exports?

Mr. Fleming: I think that question had better be directed to the United States administration. I find it keeps me occupied in trying to answer for my own job in Canada.

OLD AGE SECURITY ACT

AMENDMENTS RESPECTING ALLOWANCE AND RESIDENCE QUALIFICATIONS

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 to amend the Old Age Security Act to increase the amount of monthly pension payable thereunder to fifty-five dollars per month, to reduce the basic residence requirements for pensioners from twenty years to ten years and to increase the length of permissible temporary absences of pensioners from Canada from three to six months.

Motion agreed to.

OLD AGE ASSISTANCE ACT

AMENDMENTS RESPECTING ALLOWANCE, RESIDENCE AND ALLOWABLE INCOME

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 to amend the Old Age Assistance Act to increase to fifty-five dollars per month the maximum amount of assistance in respect of which payments may be made to the provinces under the provisions of that act, to reduce the basic residence requirement for recipients from twenty years to ten years and to increase the total amount of allowable income, inclusive of assistance, by one hundred and twenty dollars a year in the case of an unmarried person, and two hundred and forty dollars a year in the case of a married person.

Motion agreed to.

BLIND PERSONS ACT

AMENDMENTS RESPECTING ALLOWANCE AND ALLOWABLE INCOME

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 to amend the Blind Persons Act to increase to fifty-five dollars per month the maximum amount

of allowance in respect of which payments may be made to the provinces under the provisions of that act, and to increase the total amount of allowable income, inclusive of allowance, by one hundred and twenty dollars a year in the case of an unmarried person and two hundred and forty dollars a year in the case of a married person.

Motion agreed to.

DISABLED PERSONS ACT

AMENDMENTS RESPECTING ALLOWANCE AND ALLOWABLE INCOME

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 to amend the Disabled Persons Act to increase to fifty-five dollars per month the maximum amount of allowance in respect of which payments may be made to the provinces under the provisions of that act, to provide, subject to regulations, for payments in respect of certain additional persons who are patients in institutions, and to increase the total amount of allowable income, inclusive of allowance, by one hundred and twenty dollars a year in the case of an unmarried person and two hundred and forty dollars a year in the case of a married person.

Motion agreed to.

NATIONAL CAPITAL PLAN

INQUIRY AS TO LEGISLATION THIS SESSION

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I should like to direct a question to the Prime Minister. Could he advise the house as to whether it is his intention to bring forward for consideration at this session legislation concerning the development and improvement of the national capital?

Right Hon. J. G. Diefenbaker (Prime Minister): I wish to thank the hon. gentleman for having given me notice of this question. The cabinet has considered this matter but has decided regretfully that it must be deferred until the next session. In saying that, may I point out that a bill was placed on the order paper in the records of the house during last session. It was not proceeded with at that time and many matters in connection with it will have to be considered. Furthermore, having regard to some of the emergent matters of this session, it is felt that in order to give full and comprehensive consideration to this very important matter and to ensure that Canada's capital will be worthy of her nationhood the whole question might well be postponed until the ensuing session.

[Mr. Monteith.]

[Later:]

REQUEST FOR ACTION TO END POLLUTION OF OTTAWA RIVER

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, may I also ask a question with regard to the national capital plan. I direct my question to the Prime Minister now that he resides on the banks of the beautiful Ottawa river. When the capital plan comes up for consideration will he try to get the authorities responsible to do something to stop the pollution of this very beautiful river?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I appreciate the interest of the hon. gentleman in this matter. This is one of those problems which over the years have received very intensive study on my part—the necessity of action being taken in order to preserve and maintain the purity of our waters. It is a problem which is surrounded by many complexities when an interprovincial river is concerned, but I can assure the hon. member of this: The interest I have taken in the past has not been diminished in any way by the position I now occupy, and I feel that this is a matter which deserves the most serious attention of parliament. I am having it looked into. Naturally, I have not missed the controversies that have been going on within this city within the last few days. All over this country there is a general demand that something should be done by the federal government and the provincial governments in co-operation, to maintain the flow uninterrupted, and also unimpaired by pollution, of the rivers and waters of our country.

THE CANADIAN ECONOMY

GORDON COMMISSION—INQUIRY AS TO FINAL REPORT

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): I should like to address a question to the Minister of Finance based on a statement found on page 2 of the preliminary report of the royal commission on Canada's economic prospects to the effect that a comprehensive final report is in preparation and will appear some time in 1957, also giving a list of the studies to be published by the commission. My question is: Can the Minister of Finance tell us whether the final report of the Gordon commission has yet been made? Can he also tell us whether the study intituled "Canadian Energy Prospects", referred to in appendix "C" of the preliminary report, has yet been published, and if it has not been published when we may expect that it will be published?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I cannot be precise in my answer to the first question asked, but the chairman of the royal commission intimated to me some time ago that he hoped to complete the final report, I think he said this autumn. This has been a very heavy task and, as hon. members may be aware, the secretary of the royal commission, Mr. LePan, was taken ill during the summer and is only back at his post on a part-time basis. Accordingly, the completion of the report has been somewhat delayed.

So far as the various studies are concerned, they have been proceeding, and there is one due this week. As to the one about which the hon. member inquired, the study on energy, I have no knowledge that it has been issued, and I think I would have been made aware of the fact if it had been issued recently. But I will be glad to make inquiries as to how far it is advanced and give the hon. member that information.

CANADIAN FARM LOAN BOARD

REPORTED DISCLOSURES OF INFORMATION RESPECTING LOAN APPLICATIONS

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I would like to direct a question to the Minister of Finance. Is the minister aware that when a farmer makes application for a loan from the Canadian farm loan board the board, before acknowledging the request, informs implement companies in the area of the application and of the board's disposition of the request for the loan? If the minister finds this to be the case, will he assure the house that he will instruct the board to cease immediately this unethical, high-handed and deplorable practice?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the hon. member telephoned me fifteen minutes before the session opened this afternoon to inform me that he was aware of a case in which, while an application by a farmer to the Canadian farm loan board was pending and the farmer had not yet been notified as to the disposition of the case, an implement firm to which he was indebted was notified by the board that the board was declining the application. I expressed some surprise at that. I can assure the hon. member, and I can assure the house, that if the board has done what he intimates, it will not do it again.

As I understand it, an application by a farmer to the loan board is not a public matter and it is certainly not a matter to be discussed with persons who may be interested in the affairs of an applicant farmer. I have asked the hon. member to give me particulars of the case in question. I can assure the house that I will make it my business to go to the bottom of this matter; and if this sort of thing is happening I can assure him that as far as I am concerned I shall see to it that it has happened for the last time.

TRANSPORT

FERRY "WILLIAM CARSON"—REQUESTED PROVISION OF PASSENGER ACCOMMODATION

On the orders of the day:

Mr. L. T. Stick (Trinity-Conception): Mr. Speaker, I wish to direct a question to the Minister of Transport. When will the minister carry out the recommendation by the Newfoundland board of trade for the ferry *William Carson* to carry passengers on her run between Argentia and North Sydney?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I should like to thank the hon. gentleman for having given me notice of this question. The question of the M.V. *William Carson* carrying passengers and automobiles in addition to freight on its temporary run between North Sydney and Argentia has been before the management of the Canadian National Railways and the former minister of transport on several occasions in the past. In announcing the service the former minister spoke in the house on July 20, 1955, as follows:

> In the meantime the *William Carson* will, within the next few weeks, be placed in service by the C.N.R. on a limited basis between North Sydney and Argentia. Because the ship is designed to fit into specialized unloading and loading facilities that are available only at North Sydney and Port aux Basques, this temporary service to Argentia will be for freight movement only and will not provide for passengers or the carrying of automobiles. This temporary service to Argentia will provide valuable experience as to the operation of this highly specialized ship and should bring about an improvement in the carriage of freight to and from Newfoundland.

Since then, as I say, the matter of carrying passengers and automobiles was considered from time to time but no action was taken. I am advised that the *William Carson* is a highly specialized vessel in many respects, and in particular the ship requires special shore facilities in order to function properly; and that to accommodate passengers and automobiles on the run to Argentia would mean a substantial expansion of facilities.

I discussed this matter with the Newfoundland board of trade when I was in St. John's a month or two ago, and they told me that in their opinion automobiles could be landed and taken off this vessel at Argentia. I asked

them if they had actually seen it done, or taken cars on and off the vessel, and they said they had not. I said: if you can go down to Argentia and demonstrate to the officials of the C.N.R. that cars can be moved on and off that vessel without danger I will recommend to the C.N.R. that cars should be loaded. I have not heard from the Newfoundland board of trade on the matter since that time.

L'ISLE AUX COUDRES-ST. JOSEPH DE LA RIVE—REQUESTED WINTER FERRY SERVICE

On the orders of the day:

Mr. Auguste Maltais (Charlevoix): May I direct a question to the Minister of Transport. In view of the coming winter season will steps be taken to bring about the establishment of a winter ferry service between L'Isle aux Coudres and St. Joseph de la Rive on the St. Lawrence north shore?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I wish to thank the hon. member for his courtesy in advising me of his intention to ask this question. When I was in the province of Quebec this summer I was asked by prominent citizens of L'Isle aux Coudres to look into the possibility of providing such a ferry. They told me that they had been asking the previous government for a number of years past to provide such a ferry and that they had not met with any success. I told them that it would be impossible to know whether or not such a ferry could be provided until an inspection could be made of the ice and current conditions during the winter season and that my department would have an inspector look into those conditions when winter arrived.

Mr. Maltais: May I ask the minister if there is any truth in the statement he then made that the people of L'Isle aux Coudres might expect to get this ferry if they would vote Conservative at the next federal election?

Mr. Hees: No, Mr. Speaker, but after my talk with the estimable citizens of L'Isle aux Coudres I am convinced that the very high quality of their mentality makes them realize that with a new government in power they have more chance of obtaining it.

Mr. Maltais: Another supplementary question—

Mr. Speaker: Order. I think there have been enough supplementaries on that point. The discussion might degenerate into another debate.

[Mr. Hees.]

LIVESTOCK—SHORTAGE OF BOX CARS IN WESTERN CANADA

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to direct a question to the Minister of Transport. Has the minister's attention been drawn to the shortage of livestock box cars in certain sections of western Canada and, if so, what action, if any, has been taken to correct this situation?

Hon. George H. Hees (Minister of Transport): I should like to thank the hon. member for advising me of his intention to ask this question. Since receiving the notice I have checked with my department and I can find no instance of our being advised of such a shortage. If he will advise me of any specific shortages that he knows of I shall be very glad to pass that information along to the railways concerned.

BANK OF CANADA

REQUEST FOR PRESERVATION OF TORONTO BUILDING

On the orders of the day:

Mr. Stanley Haidasz (Trinity): Mr. Speaker, I would like to ask the Minister of Finance what are his plans regarding the future of a well-known architectural landmark on a street in the city of Toronto, namely the Bank of Canada building, which many Torontians are anxious to see preserved.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, if this is a proper matter to raise on the orders of the day I will say to the hon. member that this matter has been inquired into. The premises in question are the property of the Bank of Canada, and the Bank of Canada has planned to erect a new building suitable for its purposes in Toronto. It is true that the building in question has stood there for a long time, and that it has architectural features which one would like to see preserved. The difficulty is that this is a relatively small building standing on a very valuable piece of property on the west side of Toronto street and under the pressure of increasing demand for space in that part of the city it becomes a question whether the Bank of Canada is to be expected to preserve that building on a property very much more valuable than would warrant the continuation of a small building.

Anybody who wishes to preserve architectural features I suppose can make his proper complaint about this matter, but it is the fact—it may be an unfortunate fact—that the property on which that building stands is

so valuable now that the Bank of Canada, after considering all these questions, feels that it must put the land to other uses.

BUSINESS OF THE HOUSE

REQUEST TO HAVE NOTICES OF MOTIONS AND QUESTIONS DEALT WITH

On the orders of the day:

Mr. E. G. Hansell (Macleod): Mr. Speaker, I wonder whether I could ask a question of the house leader, the Minister of Public Works. It is a matter of procedure. Usually the questions that appear on the order paper are not answered until the debate on the address has been concluded. I understand we are to take up other business tomorrow. I am wondering whether he could arrange to have the questions that are on the order paper as well as the motions for production of papers proceeded with.

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I will be very glad to look into that and see what can be done to meet the hon. member's request.

LABOUR CONDITIONS

MONTREAL—STATEMENT ON UNEMPLOYMENT FIGURES FOR 1956-57

On the orders of the day:

Hon. Michael Starr (Minister of Labour): On Friday last the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets) asked me the following question:

> How many people are registered as unemployed in Montreal? Could I also, perhaps, have the comparative figures for the same period last year?

The answer is that the number of persons registered in Montreal on October 4, 1956, was: men, 8,612; women, 7,152; total, 15,764. On October 3, 1957, men, 17,371; women, 8,247; total, 25,618.

NATIONAL EMPLOYMENT SERVICE—CHANGES IN OPERATION

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I should like to direct a question to the Minister of Labour. Would the minister consider making a brief statement at an early date as to what precise changes have been made in the operation of the national employment service to implement the policy which was recently announced?

Hon. Michael Starr (Minister of Labour): I think, Mr. Speaker, I can answer the question by saying that a directive has been sent out over my signature asking all managers of all offices to alert their staffs and to give instructions to their staffs to accelerate their action in securing employment for those who are registered as unemployed in the offices across Canada. I might add that I have received a number of letters from managers complimenting and thanking me for the instruction and saying that the directive will be carried out with, it is expected, good results.

Mr. Barnett: Has the minister made provision for any extra facilities or additional staff to deal with the situation in the manner which his directive states it should be dealt with?

Mr. Starr: The managers of various offices have been told and know that if necessary staff has to be hired they have the authority to do so under ordinary circumstances through the civil service commission.

Mr. B. R. Leboe (Cariboo): May I ask a supplementary question. Would the minister look into the situation at Quesnel at an early date? We have been seeking an unemployment insurance commission office there for some time and it would facilitate the very thing that the minister is proposing.

Mr. Starr: We shall be glad to look into the situation.

LIVESTOCK

STATEMENT ON DISTRIBUTION OF TROLENE FOR CONTROL OF WARBLES

On the orders of the day:

Hon. Douglas S. Harkness (Minister of Agriculture): Yesterday the hon. member for Moose Mountain (Mr. McCullough) asked this question, Mr. Speaker:

> Has the minister been informed of the systemic treatment by trolene for the control of warbles in cattle? If so, can he inform the house whether the government has any plan to undertake the free distribution of this treatment, as has been done with certain serums, in order to wipe out most of the annual loss of $14 million now estimated to be caused by warble fly infestation?

The answer is: the Department of Agriculture has investigated several systemic treatments, including trolene, for the control of warble fly. Trolene has been registered under the Pest Control Products Act. The government has no plans for the free distribution of this material. I might perhaps add that it is quite an expensive treatment and we have considerable hopes that a much cheaper treatment, and one which can be much more easily administered, will soon be available.

Inquiries of the Ministry

SHIPPING

REPLACEMENT OF M. V. "BURIN" ON PLACENTIA BAY SERVICE

On the orders of the day:

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, I should like to direct a question to the Minister of Transport. What steps are being taken, or are being contemplated, either by the government of Canada or by the Canadian National Railways to replace the coastal boat M. V. *Burin* now employed by the C.N.R. on the Placentia bay service with another boat having more and better passenger accommodation?

Hon. George H. Hees (Minister of Transport): I would like to thank the hon. member for giving me notice of his intention to ask this question. The question of the Newfoundland coastal steamship service is one of the matters that are being studied by my department at the present time, and the particular question he has asked will certainly be included in that study. I should like to advise him at this time that the Canadian National Railways expect to announce shortly improvements in the Placentia bay service.

PENSIONS

RETIRED C.N.R. EMPLOYEES AND CIVIL SERVANTS—REQUEST FOR IMPROVEMENT IN PENSIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. Will the Prime Minister take a personal interest in and speak to the appropriate ministers about the plight of retired Candian National Railways employees and superannuated civil servants whose pensions are in the lower brackets, about whom he and his colleagues quite often went on record and had a good deal to say in days gone by? Can he give the hope that something might be done to improve the pensions of these groups of people at an early date?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the factual recitation that I have shown an interest in this matter in the past is in accordance with the facts. It is of interest to know that it is expected of this government that everything be done in a matter of a few weeks. The matter to which he refers is one that is particularly close to me by reason of my father having been a civil servant and I can assure him that the attention that this government has already paid in raising the salaries of civil servants is but an indication of one of the steps to be taken which ultimately will, I am sure, remove the causes of complaint to which he has made reference.

[Mr. Harkness.]

GRAIN

WHEAT—REFERENCE TO REPORTED DECREASE IN EXPORTS

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Would the minister care to comment on the decline in Canadian exports of wheat during the present crop year, now some 7 million bushels below the very low exports during the same period last year? Would the minister inform the house as to what steps the government is taking to increase exports during the present crop year?

Hon. Gordon Churchill (Minister of Trade and Commerce): I would like to thank the hon. member for giving me notice of his question. I propose to give a review of the situation at the second reading stage of the bill on cash advances, if he would not mind waiting until then. That will likely be Friday, all being well.

INCOME TAX

ALLEGED FEE-SPREADING BY SOME MEMBERS OF MEDICAL PROFESSION

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of National Revenue. As a result of a phone call received yesterday morning I was given to understand that this afternoon I would receive an answer to my question as to what action, if any, is going to be taken by his department on the question of kick-backs in the medical profession. In accordance with the phone call yesterday, is the minister now prepared to give me an answer? If not, just how soon may we expect the answer?

Hon. George C. Nowlan (Minister of National Revenue): I think there must have been some misunderstanding about the telephone call. I did not understand I had to give any further answer. When the hon. member asked me the question the other day with respect to kickbacks and asked whether any investigation was now being carried on with respect to that practice I was not aware of the newspaper clippings at the time; I have since read them and I have also read the decision of the court.

The reason for the discovery of this practice, apparently, as suggested by the hon. member, is that it fell from heaven. Actually, of course, it was as a result of the investigation carried on by this department prior to the appeal which resulted in the disclosure. In other words, all of the evidence

was adduced by the lawyers representing the department as the result of an investigation which they carried on and there was no adventitious disclosure whatsoever. As a matter of fact, this department is always conducting investigations of various matters such as this, sometimes to a degree which is sometimes resented by the taxpayers of this country.

Mr. Winch: That was not my question. I know it was because of their investigation they discovered over $300,000 of kick-backs in two cities alone in one province. My question was: Because of that are you now going to make an investigation of the entire situation of kick-backs in the entire profession?

Mr. Nowlan: The officers of the department are as usual and as always carrying on investigations of all matters affecting the affairs of the taxpayers of this country.

STEEL

REPORTED DECISION TO INCREASE TARIFFS

On the orders of the day:

Mr. Jacob Schulz (Springfield): Mr. Speaker, my question is directed to the Minister of Finance. Is it correct that, according to press reports, the government has decided to proceed with plans to boost tariffs on a wide range of steel products and has notified a number of countries which come under the general agreement on tariffs and trade, including the United States, of its intention?

Hon. Donald M. Fleming (Minister of Finance): I did not hear all of my hon. friend's question. Would he mind repeating it, please?

Mr. Schulz: I notified the minister of the question beforehand. Is it correct that, according to press reports, the government has decided to proceed with plans to boost tariffs on a wide range of steel products and has notified a number of countries which come under the general agreement on tariffs and trade, including the United States, of its intention?

Mr. Fleming: Mr. Speaker, having regard to some of the language used here and the strength of some of the terms employed, I suppose I would be justified in giving a summary negative answer but I think that would not be altogether fair to the house. I propose, when I table some recent reports of the Canadian tariff board, which I hope to do within the next several days, to make a statement that will cover the question that my hon. friend has asked, as well as other matters.

FOOD

INTERNATIONAL AGENCY FOR POOLING OF SURPLUSES

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): I should like to direct a question to the Prime Minister. Has the government taken any action to promote an international agency for the pooling of surplus food products? If so, what has been done?

Hon. Douglas S. Harkness (Minister of Agriculture): Mr. Speaker, this being a matter which comes under the Department of Agriculture the Prime Minister has referred it to me. The answer is as follows: FAO proposed a world food board at Copenhagen in 1946. In subsequent months the proposal was reviewed in Washington by a special international commission. The commission, in which Canada was represented, recommended against the formation of such a body. This was subsequently followed by several other proposals, one for the establishment of an international commodity clearing house. None of these has met with acceptance by the member nations of FAO.

FAO then established its committee on commodity problems to review commodity situations and to consider surpluses. This was followed by the establishment of a special subcommittee in Washington which meets frequently to review surplus problems and to provide a forum for discussion. The committee prepared a set of principles relating to surplus disposal, designed among other things to eliminate or reduce competition with commercial transactions when surpluses are disposed of on concessional terms. Some 30 countries, including the leading trading nations, have subscribed to these principles. Canada has been an active participant in the committee on commodity problems and in the deliberations of the subcommittee on surplus disposal.

Mr. H. R. Argue (Assiniboia): I wonder whether I might ask a supplementary question. Can the minister say whether the present government would be prepared to reverse the position taken by the previous administration and come out positively now in support of an international world food pool as one means of disposing of our surplus agricultural products?

Mr. Harkness: I would not be prepared to make a statement on that at the moment.

[*Later:*]

Right Hon. J. G. Gardiner (Melville): Mr. Speaker, the question I was going to ask is perhaps based on the fact that a similar decision to the one you have just made was

not made with regard to the answer to a previous question. The question had to do with a decision made by the FAO concerning the suggestion that there should be a method of dealing with surpluses. A very definite statement was made as to the position taken by Canada at that time.

Some hon. Members: Question, question.

Mr. Gardiner: This is not a question, and I know it is out of order.

Some hon. Members: Oh, oh.

Mr. Gardiner: I am asking the question because the answer, which was given following the discussion that has taken place, was also out of order.

Some hon. Members: Order, order.

Mr. Gardiner: I headed the delegation at that time, and the position that was reported here is not in accordance with the position taken by Canada at that time.

PUBLIC BUILDINGS

ST. GEORGES DE BEAUCE—PROPOSED NEW FEDERAL BUILDING

On the orders of the day:

Mr. Raoul Poulin (Beauce): I should like to direct a question to the Minister of Public Works. Would the minister tell the house whether the previous government initiated an inquiry respecting the erection of an administration building at St. Georges de Beauce and, if so, is it the intention of the government to carry on such inquiry?

Hon. Howard C. Green (Minister of Public Works): The hon. member was kind enough to give me notice of his question and this is the answer. Inquiry into the necessity of a new federal building at St. Georges de Beauce was initiated during 1956-57. The report indicated that increased space for the Post Office Department was justified and that a new building could accommodate the unemployment insurance commission, at present in leased premises.

Difficulty was experienced in deciding upon a new site and it is only recently the conclusion was reached that the most suitable site was property adjacent to the present building. Plans for the new building are in the early stage of preparation and work will continue on them. Construction will commence when the necessary funds are voted by parliament.

[Mr. Gardiner.]

BRIDGES

NUNS' ISLAND—LOCATION AS TO MUNICIPALITY

On the orders of the day:

Mr. Yves Leduc (Verdun): I should like to direct a question to the Minister of Transport. Would the minister be good enough to tell the house through which municipality the new bridge will pass before crossing the St. Lawrence river via Nuns' island to connect with Laprairie?

Hon. George H. Hees (Minister of Transport): Yes. The new bridge will first pass through the municipality of Verdun.

HOUSE OF COMMONS

SOUND SYSTEM—DIRECTIONS TO NEW MEMBERS AS TO USE

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): May I have the privilege, Mr. Speaker, of directing a question to you, strictly non-political? I believe there are over 90 members in the house who do not realize that the loudspeaker system is arranged in such a manner that if you are on the three back benches on either side, unless you direct your voice in a certain way and do not turn around, as some do, and talk to the curtains, you cannot be heard. May I ask if it is not possible for you, within the next few days, to arrange something similar to what occurred in 1953, that is at the opening hour those who are interested could have an explanation of the use of the loudspeaker system. Personally I am interested in hearing what everyone has to say, and on occasion even with our loudspeakers I have not been able to hear. I believe my voice can be heard, but I want to hear what others say.

Mr. Speaker: I thank the hon. member and I must say I am sorry that some members are having difficulty in hearing the very interesting things that have been said this afternoon. I shall take that under consideration and see if any improvement can be made in that respect.

Mr. Winch: I am not questioning the system, I am merely stating you have to understand how to use the system.

YUKON—INQUIRY AS TO THE DATE OF BY-ELECTION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I ask the Prime Minister whether the government has yet made a decision as to the date of the by-election to be held in the Yukon constituency?

Right Hon. J. G. Diefenbaker (Prime Minister): The answer is no, Mr. Speaker.

Mr. Sinclair: The sooner the better.

FINANCE

INQUIRY AS TO AMENDMENT OF FARM IMPROVEMENT LOANS ACT

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Can the Minister of Finance inform the house whether or not it is the intention of the government to amend the Farm Improvement Loans Act so as to increase the availability of loans and extend the supervision of loans so as to give counsel and advice to farmers procuring such loans?

Hon. Donald M. Fleming (Minister of Finance): My hon. friend sent notice of this question to my office, but it was late in arriving and I received it only ten minutes ago in the house. I may say to my friend that the question he asks obviously touches on a matter of government policy and no statement can be made at this time in regard to that subject.

May I ask him to bear this in mind in relation to this question and similar questions. There is a limit to the amount of business parliament can cram into one short fall session. There is a limit to what the government can propose to parliament. Under the circumstances, we are doing our best to bring forward, as fast as the transaction of business in the house will permit, all the legislation possible in the time available for this session.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Tuesday, October 22, consideration of the motion of Mr. A. R. Smith (Calgary South) for an address to Her Majesty the Queen in reply to her speech at the opening of the session, and the amendment thereto of Mr. Coldwell, and the amendment to the amendment of Mr. Low.

Mr. Victor Quelch (Acadia): Shortly before the adjournment last night, I had been advocating an extension of trade with the sterling area, the acceptance of inconvertible currency and the spending of that sterling to buy goods in the sterling area that we are presently buying from the United States. In that way we would enable the sterling area to achieve a greater degree of balance with Canada, and would enable Canada to achieve a greater degree of balance with the United States, or at least to reduce our imbalance of trade with that country.

My time is limited, but I wish to say a few words regarding the surplus disposal program of the United States. The former government was very critical of that program, and I gather the present government is not very much more favourably disposed towards it. I feel the United States is to be highly commended upon that program because under it the United States today is making surplus food available to the hungry people of nations that are not able to obtain food through the normal channels of trade. At the same time the United States is paying the farmers a fair price for that food.

Let me state very briefly the history of this surplus. It will be recalled that in the latter years of the war the food and agricultural organization warned the nations of the world that two-thirds of the population of the world was hungry. They further warned that unless the nations that had the ability to expand the production of their food did everything in their power to do so there may be worldwide starvation. The United States went all out to expand production of food. They paid very substantial support prices to their farmers, and as a consequence the United States did build up a substantial reserve of food in the form of farm products.

Unfortunately the food and agricultural organization did not provide the international machinery to distribute this surplus to the nations that needed it. It is true that they did bring forth a proposal for a world food bank but that was rejected by member nations. Then, I think it was in 1950, they proposed an international commodity clearing house. Personally, I felt that was an excellent idea, but again the member nations rejected it. So, we found we had a situation where the surpluses of each country were left on their own doorsteps.

It was then that the United States expanded the program by which they would be able to distribute surplus food to the nations that needed it. They proclaimed, in effect, that any nation that was not able to obtain the food they needed through the normal channels of trade would be able to obtain their food from the United States, if the United States had it in surplus quantity, by the acceptance of their currency, by barter agreement or, in a case of dire distress, by outright gift. Let me point out to the Minister of Finance (Mr. Fleming) that the United States did not wait for some nation to ask them to accept their currency. They saw the problem and they believed the solution to that problem was to accept foreign currency. As a result of that the United States has sold hundreds of millions of dollars worth of food for foreign currency. I am

not suggesting for one minute that we should go as far as the United States did, but I am suggesting we could go as far as I have suggested. We could accept inconvertible sterling for the goods we export to the sterling area, and then spend that inconvertible sterling in the sterling area to buy the goods which we are at present buying from the United States.

In that way we might accomplish the proclaimed purpose of the Prime Minister. I can recall that some years ago, the Prime Minister supported a motion to accept sterling. I am therefore hopeful that he will regard that proposal in a sympathetic way. I believe the proposal I put forward is the logical way in which to achieve the Prime Minister's objective of diverting 15 per cent of our imports from the United States to the sterling area.

I listened to the long statement of the Minister of Finance this afternoon. After we have read that statement we shall have an opportunity to sift the wheat from the chaff, if we can find any. But I must say that on the face of it that statement does not seem to provide much hope for any considerable increase in trade. I say that for the reason that it does not provide for any substantial change in policy.

Hon. J. M. Macdonnell (Minister without Portfolio): Mr. Speaker, my first and pleasant duty is to congratulate the mover and the seconder of the motion for an address in reply to the speech from the throne. Incidentally, may I say that I am sorry if there was any misunderstanding as between me and the hon. member for Algoma East (Mr. Pearson) as to the order of our speaking.

Mr. Pearson: No.

Mr. Macdonnell: I have a special personal pleasure in congratulating the mover because for some years I was the deskmate in this house of his father whom I remember being referred to by the present Leader of the Opposition (Mr. St. Laurent) who said so truly that we all loved him. I had the good fortune to be his seatmate and it is a pleasure to be in this house and to see the worthly son of a worthy father taking his place in the house. As to the seconder, I congratulate him as I congratulate every citizen of this country who is bilingual. It is my greatest regret that I am not bilingual. I especially congratulate the hon. member who seconded the motion on his excellent English.

It is perhaps natural, Mr. Speaker, for one who sat on the opposite side of the house for 12 years in the opposition to make some comments on the change which has taken place. As I look across the floor sometimes it is hard for me to believe that I am looking at the same men. A change seems to have come. There is a strange look of selfconscious modesty, shall I say.

Mr. Pearson: It works both ways.

Mr. Macdonnell: If people can be modest in success, that is good. As I say, there is a certain selfconscious modesty to which we were not accustomed. We were accustomed to looking at men who seemed to have a good deal of, shall I say, self-esteem. I do not wish to put it more strongly than that. Indeed, I remember suggesting to them once that they might follow the prayer of the highland minister who said to his flock: "Oh Lord, if it be possible, make us worthy in some measure of the high esteem in which we hold ourselves". I hope that the then ministers took cognizance of what I said.

But the other thing that struck us sitting opposite them in those days was that the high esteem brought with it also a feeling of indispensability. It is surprising that even with the most modest men, when they have power for more than a certain amount of time I think a feeling of indispensability creeps over them. I had an illustration of it once some years ago when we in the opposition had won several by-elections. I had a very pleasant letter from a member of the government who congratulated me on the victory but who said, "Of course it could not happen in a general election, could it?"

I think that was the attitude that crept over members of the government. They felt that, among other things, we were not competent, that we could not form a government. I think the Canadian people felt differently and have demonstrated differently. But when the election came I think it was hardly dreamt of in their philosophy that anyone could take their place. I might describe their feeling I think as the feeling that the change could hardly have happened. I might describe it by the answer of the little boy who had learned his twelve times twelve tables and who when asked thirteen times two said "You can't". I feel that in the same way the members of the government, after being defeated on June 10, really felt "You can't".

After the Prime Minister's speech which was mild and, I felt, almost apologetic, I was reminded of Benjamin Disraeli's description of the treasury bench sitting opposite to him so many years ago. Here are his words describing the Liberal treasury bench sitting opposite:

> Some took refuge in melancholy, and their eminent chief alternated between a menace and a sigh. As I sat opposite the treasury bench, the ministers reminded me of one of those marine

landscapes not very unusual on the coasts of South America. You behold a range of exhausted volcanoes. Not a flame flickers on a single pallid crest. But the situation is still dangerous. There are occasional earthquakes and ever and anon the dark rumbling of the sea.

It is true that since then there have not been what I would call earthquakes, I would rather call them small tremors like the small outbursts from the hon. member for Coast-Capilano (Mr. Sinclair) and the milder one from the hon. member for St. Antoine-Westmount (Mr. Marler). But in general the attitude of the opposition has been conciliatory.

As for the hon. member for Essex East (Mr. Martin), the former minister of health and welfare, it is interesting to see him in the opposition. We remember his technique in the government. We remember how, in answering questions, he would give more or less of an answer; he would use words having some vague relation to the question and then the desk would open and a prepared speech would be produced in which we had eloquent testimony to the excellence of the government. The question was just a peg on which to hang it. It was a well developed technique. Then the minister, as I said, would soar away, using the question as a springboard.

But I think the greatest surprise was the former minister of agriculture. Instead of a lion we had a lamb or, perhaps better, a dove of peace bearing olive branches. The only thing that seemed to be the same was the glass of water. The minister is fortunate because no one will doubt that it was a glass of water. No one will suspect that he did what Disraeli is reported to have done in one of his several-hour speeches. He was drinking frequently of a white liquid and it is said that the liquid was not water at all but gin and that he consumed two bottles of it during his speech. I admit that the speech was several hours long. No one will suspect the former minister of agriculture of doing that.

I was touched by the height of patriotic devotion he showed in explaining the attitude of the party. He claimed that it was in effect "high and lifted up", that it was going to concern itself only with the welfare of the country and not with any party advantage. He admonished the other parties in the house that they should do the same thing.

If the minister will allow me to do so, I should like to put in a little plug for him by relating a remark which I understand he made when he was first in this house. I have quoted it previously and I hope he will not mind my quoting it here. The former minister, as all hon. members will observe, has not run to many unnecessary inches as have some other people in this house. Indeed, when the ex-minister stands up, not very much happens.

As I understand, the first time he stood up in this house a big fellow on the other side, as long as I am, twice as wide and three times as thick, said when the minister was already on his feet, "Stand up". There was a little titter at this but the then minister replied "In the part of the country where I come from, a man is reckoned according to what he has above the shoulders".

The former minister of transport, now the hon. member for Laurier, (Mr. Chevrier), several years ago left the Ottawa for the St. Lawrence but has now returned to the Ottawa. Whether he feels he chose the best moment to return I am not quite clear. I propose to say something about his speech of the other day later on.

In general I would wish to be encouraging to the opposition. I would like to say to them that we have always felt, and I think they have felt also, that the opposition was a necessary feature of government. They wanted the country to believe in democratic party government and you could not have democratic party government without an opposition. Therefore the government felt there must be an opposition, but of course it must not expect to win. Once a member of the government was reported to have made the statement that he did not know what the opposition was for. However, I think most of them knew what it was for and they felt that as long as it kept its place it was very useful. Now I would like to say to the opposition they will learn the duties of the opposition in time. After all they are men of intelligence and they are going to have plenty of time to learn their new duties.

I would say a word about the member for Algoma East. He has been pretty mild on the whole. I am just wondering whether he is going to sit it out. Really "he ain't saying nothing", and it may be that he has in fact decided to sit it out and wait to see what happens in January.

Now I would like to return to the Prime Minister's speech. I realize I have done the same thing as my leader has done. I correct myself and say I would like to return to the speech of the Leader of the Opposition—

Mr. Pearson: You have done it twice.

Mr. Macdonnell: Oh, have I done it twice? Well then I am equal to my Prime Minister and I hope I will not do it a third time.

It did not seem to me that the Leader of the Opposition put very much heart into it. Coming back to the words of Disraeli that it was between a menace and a sigh, I would not say there was much menace in it, I would say it was nearer to a sigh. He stood there with the remnants of his cabinet around him, hardly crediting the situation. I do not speak of the ones who are absent. There are certain absent faces, absent with the full consent of the Canadian people and these are casualties which, as I say, we remember very well and we should let them rest in peace.

Now the speech of the Leader of the Opposition seemed to me to be in defence, naturally, of the record of his cabinet and to contain a mild assertion that in any event whatever the last government had not done could not be done. Now no one denies the difficulties which have been left to us, but from both Britain and the United States we get a clear indication about the old government. I quote the words of the Cleveland *Plain Dealer* commenting on the Prime Minister's Dartmouth speech when he was discussing the Canadian-American problems:

> Since the war the Liberal government preceding the Diefenbaker government administration was willing enough to let matters ride.

Similarly from the *Financial Times* of London on July 8 comes the comment that for a long time attempts to improve economic co-operation in the commonwealth had been handicapped by Canadian indifference. How convincing this is to me, having sat here for 12 years. How often in this house did the present Prime Minister and the former leader of the opposition, Mr. Drew, seek to stir the government to action. It seemed to me like pushing a dead weight; they did not seem really interested. At best there was acquiescence in the idea of a conference. They were content to ride the crest of the American boom. One could never think of them as crusaders; they were more like camp followers. Now what do we get from the opposition? Well, we get words of discouragement. Things are not good, they say, but nothing can be done. That was the situation really, as outlined by the Prime Minister and by the member for Coast-Capilano—

Mr. Pearson: That is the third time.

Mr. Macdonnell: Oh, that is terrible and I apologize. It is hard to get over the results of 12 years and I still find it awfully difficult to turn to the left in order to bow to the Speaker.

Mr. Sinclair: You are a real Tory, you do not change.

[Mr. Macdonnell.]

Mr. Macdonnell: I think I might be forgiven for my mistake.

No one denies the difficulties left us. The members of the late government should know that more than anyone else because we are their legatees of the problems of unsold wheat, a huge balance of imports from the the United States, the fear of rising United States tariffs to which the member for Coast-Capilano referred very properly the other day, unemployment and so on. We know we are the legatees from the opposition of these difficulties and we must recognize that legacy, but we will also try to remember what Churchill said on D-day "Don't talk to me of the difficulties, the difficulties will argue for themselves."

I believe and I am happy to believe that the new government has introduced a new spirit. I believe that the Prime Minister has taken, virtually from the dust-bin, ideas in which the previous government were not interested, and he has made people think and talk about them in a way that they have not done for years.

I think we can say that instead of gloom and hesitation, we now have action and hope. The trade difficulties with Britain and the United States are fully recognized but they have been grappled with. This has been recognized both at home and abroad. The *Financial Times* of London, in speaking of the commonwealth conference in London, referred to it as unusually successful and they gave credit to the present Prime Minister. I have already mentioned the statement that co-operation in the past was handicapped by Canadian indifference. Now on July 8 the *Financial Times* of London, referring to the commonwealth economic conference as a desirable achievement, said that the Prime Minister has "shaken up the settled and defeatist thinking which had already abandoned hope of the expansion of commonwealth trade". Those are their words and I believe them to be true, in fact they so exactly express my own feelings that I wish I had written them myself.

This I think describes well what has been done. If the spirit is right impossible things can be accomplished. I remember the music hall catch phrase, "where there is a will there are three ways". Well, I think there has not been a will and while difficulties remain and we do not have any magic wand with which to brush them off, nevertheless there is a new spirit.

The Montreal *Gazette* stressed the importance of the conference and mentions very properly the anxiety that Britain might move more and more into the European trade orbit. This is an appealing reason for vigorous

action and for this reason, to quote again the *Gazette,* "the Prime Minister's proposal comes just at the moment when the needs and opportunities of commonwealth trade ought to be put forward."

Let us now turn to the United States. There are problems there which we all know exist and there again the Prime Minister has spoken and his remarks on the American situation and the general attitude he has expressed have been seriously and favourably received by the American press. The Washington *Post* refers to the Prime Minister's frank yet friendly remarks and goes on to say that "the traditional friendship of the two countries can only be preserved and fostered by such straightforward exchange of views." This speech of the Prime Minister incidentally was carried over the C.B.S. national network and the New York *Times* refers to it as "a sobering indictment coming from one who is clearly a champion of Canadian-United States unity." Further on, referring to the Prime Minister's "spirit of candor" and willingness to seek mutually satisfactory solutions, it said these provide a setting for ironing out the present irritants.

We are not content with words; action is not lacking. The Minister of Trade and Commerce (Mr. Churchill) has been to Europe and is organizing an imposing delegation of well-known businessmen to go there again soon. I think it is fair to say that what vigour, courage and imagination can accomplish has been and will be done.

It is true that time has been lost. The last government was content to ride the crest of the wave and even now there is evidence that the former government does not know the score. The former minister of finance in a speech the other day complained that the new government was upsetting "normal and healthy trade lanes". I wonder if he has heard of the imbalance of trade? I wonder if he has heard of the danger of higher tariffs and all the other difficulties which confront us? I wonder if, in the light of that, he is complaining that there is a vigorous and sincere attempt being made to marshal the countries in the commonwealth to deal with them, an effort which has been set on foot by the Prime Minister (Mr. Diefenbaker) and in which he is so ably seconded by the Minister of Trade and Commerce.

Mr. Speaker, I wish to digress a moment in order to speak about one thing which was said by the hon. member for Rosetown-Biggar (Mr. Coldwell) in his quality as a socialist. I am never very clear whether the hon. member for Rosetown-Biggar is a real socialist, but certainly this sounded like a socialist utterance. He referred to price controls during the last war and spoke of the kind of public planning that was used then and seemed willing to return to it. I wonder how far the hon. member for Rosetown-Biggar is ready to go. Does he really want the wartime controls back? Does he really want, for example, wage controls? Does he want to go back to the hordes of officials which existed then?

I am going to read to the house for a few moments a few sentences describing what controls were like before they were abolished. Here is a brief picture of controls as they existed at the end of the war: First, we have the chairman, the deputy chairman and members of the board. Then we have what are called the head office divisions, of which there are twelve, each with a supervisor or secretary or controller, as the case may be. Then we come to what are called the associated companies, of which there are several. Then we go on to what are called co-ordinations. These include capital equipment, foods, pulp and paper, textiles and clothing, and emergency shelter. Then we go on to a directory of administrations, and here we really plunge into big things, because on a short count I find that the directory of administrations includes about 150. I should like to direct your attention to just a few of them. There is one for books and writing paper; for cork and cork products; for fertilizers and pesticides; clothing and woollens; honey. There is jewellery, which is divided into seven categories. There is meat and meat products; there is fruit. There is one category which I find very interesting: cleaning, decorating, hairdressing, painting, renovating, undertaking, warehousing and storage.

Is this really what the hon. member for Rosetown-Biggar wants? May I remind him that the British labour party has been steering away from controls for some years. Several years ago at their annual meeting there was a striking vote against nationalization. At their recent meeting their policy with regard to nationalization was watered down to the following further extent:

> "Labour will reserve the right to extend public ownership in any industry or part of industry which, after thorough investigation, is found to be seriously failing the nation. This will not necessarily mean taking over the entire industry; it may be that the solution will lie in the acquisition for the community of one or a number of firms."

In other words, this is a striking illustration of the way in which United Kingdom labour policy is turning away from nationalization. And this is indicated particularly by its new policy to allow the proposed national pension fund to invest in equities provided these acquisitions are to be guided solely by investment considerations and will not be aimed at securing control.

May I tell the hon. member at once that we are not against planning. No sensible man is against planning. But who is to do the planning? Is it to be done by a few bureaucrats, or is to be done by hundreds of thousands of individuals each working to the limit of his power? Where government enters is in the field of regulation. There must be regulation—no one denies that—but this idea of control, this blessed word "planning" seems to me to be entirely contrary to our way of life and to our welfare. Planning, after all, means executing. There is no use attempting to plan unless you make people conform to those plans. We have had enough evidence in the past 20 years to enable us to know what planning means, and I never will understand how my socialist friends believe you can have planning and controls and still have freedom. As the negro gentleman said: "Dem two t'ings don't paralyse".

I hope the hon. member for Rosetown-Biggar can, perhaps, answer me on another occasion. I am very sorry he is not here now, because we all have a great respect for him, and it surprises me beyond measure to hear him use those words about planning and controls.

Incidentally, with regard to controls as a cure for inflation, the hon. member will find, if he will look up the records, that prices rose during war time. I remember, too, being told by someone who went into a shop that he could not get what he wanted because manufacturers sheered away from making the standard things, the ordinary articles in common use, and tried to manufacture substitutes which were not under control and which would not come under the letter of the law. I have no time to say more than that.

I want to say something now about the hon. member for Laurier. He was in this house a few years ago and he then had the esteem of us all. I will say that I used to observe sometimes that when he got into the constituencies his language did not seem to be entirely the same as the language he used here in the house. But be that as it may, he was a good friend and we liked him. I was very sorry indeed to hear the line he took the other day. It seems to me he was trying to create disunity. It seems to me he was trying to set one province against another. He went back half a century in this quest and, what was even more regrettable, he gave a lead to others who seemed to follow on the same lines. I suggest he might have gone a little further back still and if he had done so he might have found that when Sir Wilfrid Laurier was first prime minister and went to Europe he had these words to say, speaking in Paris, about his country. Speaking of the motto of the French republic: "liberty, fraternity and equality" he said:

> All that there is of worth, of greatness, of generosity in that device, we have today in Canada; that is our conquest. We have liberty, absolute, complete, . . . liberty for our religion, with its worship, its ceremonies, its prayers, its customs; liberty for our language, which is the official language as English is. Equality is ours; fraternity is ours. There is with us no domination of one race over another . . .

I suggest to the hon. member for Laurier that he might have been better employed in bringing this to our attention rather than in seeking, seeking, seeking for past events on which to base suggestions of discord.

I wish to say this. I believe that the present Leader of the Opposition—I got it right that time—so far as he was personally concerned was completely in the Laurier tradition and I hope the hon. member for Laurier may perhaps from here on follow the Laurier tradition.

Mr. Pickersgill: He always has.

Mr. Macdonnell: The word "always" covers a lot of territory.

Mr. Pickersgill: He always has.

Mr. Macdonnell: I was at pains to say that I thought he sometimes did and I hope he always will in the future.

Mr. Pickersgill: I do not think there is any doubt.

Mr. Macdonnell: Our Prime Minister has made it perfectly clear that he is in the tradition which was followed by Laurier and which was established by Macdonald in his day when there was complete understanding and sympathy between the provinces. This divisive influence came in later. I will not be too specific about that, but we all know where it came from. I say our present Prime Minister seeks nothing but full, complete understanding between the races and I am quite sure he will do everything to promote it.

(Translation):

I hope and believe that those who served with me in this house will agree that I have always sincerely desired racial understanding and good will. The day before yesterday, the hon. member for Parkdale (Mr. Maloney) eloquently expressed my views. Surely, racial feeling between the two original races should be put away once and for all. We of the two old races have shared joys and sorrows in peace and war, and I believe that our party, now that it is in power, will give such a lead that we may look confidently to closer and closer racial sympathy and understanding.

(Text):

What I have been trying to say in my poor French is this: I hope and believe those who have served with me in this house will agree that I have sincerely desired racial understanding and good will. The day before yesterday the hon. member for Parkdale (Mr. Maloney) eloquently expressed my views. Surely racial feeling between the two original races should be put away once and for all. We of the two old races have shared joys and sorrows in peace and war and I believe that our party, now that it is in power, will give such a lead that we may look confidently to closer and closer racial sympathy and understanding.

It is four months since the election. What is the record? Speaking with, I believe, some detachment, because I have not the burden of a department, I can say that never in my experience have men worked harder. Paraphrasing Sir Winston Churchill, I might say never was more work done by so few in so short a time. They have worked desperately hard.

Now as to quality. If we judge by one of the great acid tests, the answering of questions in this house,—and bear in mind that they had only a few months to master situations which some of the questioners had been familiar with for years—my feeling, with whatever detachment I am capable of, is that we in this party have everything to be proud of and nothing to be ashamed of in what they have done. I believe the people of Canada will so regard us. Legislation has come forward and will come forward rapidly, giving complete evidence of the implementing of promises which were made. The Prime Minister has made a distinct impression on the economic thinking of the United States and of the commonwealth and has paved the way, not for magic solution, but for patient and enduring struggle with the problems which exist between us and the United States on the one side and between us and the commonwealth on the other. I believe that when the people of Canada survey what has been done if we are able to carry on as we have done, as I believe we surely shall, when the time comes for another election there will be no doubt as to the result and we shall come back with a complete and over-all majority.

Hon. L. B. Pearson (Algoma East): Mr. Speaker, in rising to take part in this debate on the address my first words must be to thank Her Majesty with great respect for opening this parliament in person and for reading in person the address which we are now debating. The participation of Her Majesty in these historic ceremonies gave them a deeper meaning, I think, to all of us and emphasized the continuity of our historical development and the depth of our roots. For her visit we are all, I think, better Canadians and better members of the commonwealth of nations.

Then, Mr. Speaker, perhaps you will allow me to congratulate you on your elevation to this office of dignity and importance. If I may be pardoned a personal remark perhaps I have known you for as long a time as any member in this house. Our friendship has been warm and close; for, among other things, we played hockey together at college. While we have been opponents in recent years in our political activities we have never allowed, and never will allow, that to interfere with our friendship.

May I also, and in no mere perfunctory manner, congratulate the mover (Mr. Smith, Calgary South) and the seconder (Mr. Arsenault) of the address in reply to the speech from the throne. The seconder will not, I think, take it amiss if I say to the mover a special word, not only because it was his maiden speech, as it was the maiden speech of the seconder, but because, as so many hon. members have remarked, of the position which his father held in this house for such a long time. His memory will always be regarded by those of us who were fortunate enough to know him with respect and affection.

This, Mr. Speaker, of course, is the first speech I have made on this side of the house, and I confess, with hon. members opposite, particularly perhaps the hon. member who just sat down who referred three times to one of us over here as the prime minister, it is not easy to get accustomed to this change of venue. The way I show my uncertainty, if I may use that word, is that even now when I come into the house I invariably turn left and bow, Mr. Speaker, but I hope you will not consider that a reflection on yourself but rather an indication of my continuing esteem and affection for my leader who sits to my left. He was my minister when I was a deputy. He was my prime minister when I was a minister and he will always be my chief whatever may happen in the future.

Now, Mr. Speaker, I am not going to follow the interesting and amiable political musings of my hon. friend who has just taken his seat. He perhaps did not give us as much information about the policies of the government of which he is a member as we might have hoped for. He spent a good deal of his time, and this is another indication that he has forgotten where he is sitting, in criticizing those of us over here who are now the opposition. Nevertheless we should be thankful

because he is, I think, the only minister who has taken part in this debate up to the present time.

When he mentions the self-esteem, as he put it, which gathered around us when we sat on that side—I am not quarrelling with him for his interpretation of our attitudes, he might remember his own words; I hope they are not going to portray the attitude of the present government to the opposition—when he indicated to us that the role of the opposition might be, in the words of Sir Winston Churchill quoted by him, "Don't tell me of the difficulties". I am afraid, Mr. Speaker, that we will do just that.

If I may I should like to congratulate the Prime Minister (Mr. Diefenbaker) and the members of the government and, indeed, the members of the government party for the measure of success which they achieved at the last general election and also perhaps for the easy and ostensibly comfortable way that they are adapting themselves to their new positions. They are, however—I hope they will pardon me for saying this—beginning to show certain of the attitudes which when they imputed them so often to us, and unfairly, I think, they found very disagreeable.

I noticed with some interest that the Prime Minister in a speech outside the house insisted that he and his government were not going to be pushed around by the opposition and I detected just a faint note of expectancy that perhaps that attempt would be made with results that he might be able to exploit to his political advantage and which might serve for the time being at least as a substitute for the heavy responsibility of trying to fulfil his electoral promises.

Now, Mr. Speaker, the Prime Minister and the hon. gentleman who has just sat down mentioned the circumstances of their accession to power. You might have thought from, if I may call it that, the characteristic exuberance of the language of the Prime Minister that they had inherited declining revenues, a shrinking national income, a deteriorating economy, an arrested national development and foreign markets gone or going. Of course, as all of us know, no matter on what side of the house we sit that would be a caricature of the real situation because the fact is that the government inherited a situation in this country where over years of Liberal administration Canada had experienced, in spite of the many gloomy opposition forecasts that the contrary would happen; I can remember so many of them from the hon. member for Greenwood (Mr. Macdonnell)—a period of unprecedented economic progress, of national development and international achievement unparallelled in the history of the country.

[Mr. Pearson.]

And when, Mr. Speaker, the Conservative party took over, the position of this country—we all know this to be true—financially, economically and internationally was the envy of the world. What happens from now on will inevitably be compared with that position, and I am sure the opposition will not complain about that. I admit, of course, as we all admit—the hon. member who just sat down referred to it—that they inherited problems, many serious problems; problems that faced us in June and face us today, and which we have always admitted. But they were problems of development, not of depression; they were problems of advance, not of retreat.

I confess that a good many of these problems seem to me to have been discussed in the recent past by some members of the government in a way which indicated that they were rather not expecting to have the responsibility of solving them. They did, however, during those days and weeks and months make specific, categorical and confident statements that they would solve them, not at some vague and future date but quickly and decisively because the Prime Minister is a quick and decisive gentleman. It is in the light of these statements and the implementation of the promises that they contain that this government will be judged.

I had thought, Mr. Speaker, of talking about external affairs today because it is the subject about which I am normally expected to talk, but I am not going to do so for two reasons. One is that the Prime Minister has promised, and I hope the promise will be implemented without delay, a debate on the international situation. In view of the character, the stress and strain and dangers of that situation the sooner we can have that discussion the better it will be for parliament and perhaps even for the country. The other reason why I am not going to refer to external affairs on this occasion is the statement that was introduced this afternoon by the Minister of Finance (Mr. Fleming) and which has certainly intensified my own interest and my own desire to say something about the matters which he dealt with in the house this afternoon on motions.

The first of the matters he dealt with and the first which I will try to deal with is the promise to divert 15 per cent of our imports from the United States to the United Kingdom. We know, I think, although not much reference was made to it this afternoon, of the origin of what I consider to be an extraordinary, using "extraordinary" in the very literal sense of the word, initiative in economic diplomacy. This proposal originated in a statement by the Prime Minister to the press after a trans-Atlantic air flight from

London where he had been attending the commonwealth prime ministers' meeting. At that time he is reported as having said that he would like to see about a 15 per cent diversion and he did not think that this would be detrimental to Canada-United States business generally.

There was some speculation—indeed, I took part in the speculation myself—that this 15 per cent figure had been chosen without much consideration of what it really meant and that it might soon be forgotten. Not at all. In Ottawa on July 23, not long afterwards, the Prime Minister reaffirmed this figure and that 15 per cent of Canada's purchases in the United States of America could be diverted to the United Kingdom without damaging this country's commercial relations with our neighbour. I think it is fair to say that the impression was created, whether or not it was meant to be created—it certainly was created in my mind—that just as his predecessor, the Right Hon. R. B. Bennett, had promised shortly after he was elected to blast his way into the markets of the world, so the present Prime Minister thought it would be possible to blast 15 per cent of our imports from the United States to the United Kingdom.

Mr. Diefenbaker: That is just nonsense.

Mr. Pearson: I will just go on, Mr. Speaker. As I was hoping to explain, it would take quite an atomic blast. Let us just see what is involved. I think this is one of the most careless assertions ever made by any head of a Canadian government. In saying that I do not for one minute suggest that if it could be done by the right method, and without doing this country any harm in other ways, it would not be a good thing to do. However, let us just see whether or not it could be done in that way. This 15 per cent might seem to be a small amount, but it means the diversion of $625 million worth of trade from one country to another. This would not be done, of course, over the next 20, 40 or 50 years; that is not the impression that was given. It would be done by switching from one tap to another, in the doing of which we would help the United Kingdom, whom we are all anxious to help and we help ourselves in doing so. Also in doing it we would escape or help to escape United States domination. This is a phrase we heard quite often from members of the present government before June 10, but not nearly so much since.

Let us get back to a consideration of what this actually means. It means an increase in United Kingdom exports to Canada of 130 per cent over the 1956 figure. In 1956, the United Kingdom took 8.5 per cent of our exports, and a 15 per cent increase in that figure would bring it up to 19.5 per cent. The only time since 1921 that that figure was ever reached was during the depression of 1932 to 1936. We know the reason for the high United Kingdom percentage then. I admit, of course, that there was some diversion by reason of the Ottawa conference arrangements, but even more that change was due to the fact that the depression cut down United States imports far more than those of the United Kingdom because of the nature of the United Kingdom imports. However, more important than that is the fact that while at that time the United Kingdom percentage was higher, it was only a bigger slice of a much smaller pie.

Surely, we do not want to take any steps which might bring about an experience of that kind of diversion in 1957. We all know, Mr. Speaker, that since those days the United States share of our market has grown, and we know why. There has been a change in consumer demand in Canada away from the United Kingdom and towards the United States type of goods; the ability of the United States salesmanship to take advantage of this; the United States distribution and transportation arrangements give them an advantage over the United Kingdom. Then there are the price and supply advantages generally.

Then, and this is very important; it is due in part at least, and in no small part, to a great increase in United States investment in Canada, which was bound to increase the United States imports because capital export must mean an export of goods. This export from the United States, without which our development of recent years could not have proceeded in the way it did proceed, came at a time when the United Kingdom, because of the sacrifices which she had made in world war II and of which we are all the beneficiaries, was not in a position to make similar investments. The United Kingdom was not in a position to take advantage to the fullest extent of the Canadian market. The question of sterling balances in London made it of the utmost importance that they seek markets for their goods in areas where competition would not be so keen. All this I think, Mr. Speaker, puts this proposed change in our pattern of trade in the proper perspective.

Now, what about this 15 per cent diversion as a practical proposition? The statistics and nature of our trade show that in perhaps 60 per cent of our imports from the United States little, if any, diversion is possible. In order to reach 15 per cent of the total, or that figure of $625 million, we would have to

divert one-third of the other imports where there is at least a possibility of such diversion. This means that the United Kingdom's share of the Canadian market in these categories of goods would have to be more than trebled. I refer to such things as textiles, chemicals, iron and steel products, transportation and industrial equipment. I ask the question, could that possibly be done without seriously affecting Canadian industry?

How, whatever the result, could it be attempted? There are various methods. First, of course, it might be done by persuasion, by the use of the slogan "Buy British" and all that kind of thing. We have been trying that in this country officially and non-officially for a good many years. We have in being at the present time a very efficient and very industrious dollar-sterling export board under the leadership of Mr. Duncan which has done as much as any board could do towards diverting trade through this means. We have sent trade missions and they have sent trade missions. There is nothing new in that. I do not think it will be done by voluntary action, though anything that can be done would be welcome by all of us.

What about governmental action? What form could that take? First, perhaps it could take the form of tariff reductions, but there are a few facts on this score that bear on such a proposal. The first one is that 60 per cent of United Kingdom imports into this country are free of duty now. Of the 40 per cent remaining, a large proportion of them come in under very low duties. In 1949 when the devaluation of the British pound gave the British exporter an additional 20 per cent advantage over his competitor from the United States by a reduction in tariffs, which was brought about by that devaluation, the United Kingdom was not aided very much in increasing exports to Canada or displacing United States goods. What about renegotiated tariff schedules upwards under GATT, without discrimination, and keeping British preferences? Mr. Speaker, this procedure might keep out a few United States goods, and it might bring in a few more British goods. However, it might also bring in a few more goods from countries such as Japan and Germany as well as the United Kingdom. It might also, indeed I think it would, reduce our trade generally and, going back to the old days, to the thirties, only give the United Kingdom a higher proportion of a smaller market. It would be a return to the restrictive tariff principles of the early thirties with the result which I am sure we do not wish to repeat in 1957. It would increase prices and costs of production in Canada and make it more difficult for our exporters to compete in world markets. In short, it would have a restrictive effect on trade, something for which this party has never stood and will not stand.

There then remains direct discrimination against United States exports to Canada. This brings up at once the question of GATT, to which my friends opposite have once again pledged their support in the communique from Washington. What about our efforts to broaden the basis of trade, to increase our trade with the United Kingdom in an expanding and not a restrictive international market? More important even than that, what about United States retaliation? There is a very real danger, as my hon. friends probably know, of that happening. When we were in office we tried hard, we did our best, to keep the United States government from adding to its duties and its controls against our products. We were not able to accomplish all the things we had hoped, but we did have very considerable success in that regard.

But if the Canadian government now threatens, or even more if they were actually successful in bringing about a diversion by discriminatory governmental action,—and what other way is there to do it short of free trade?—how long will this government be able to persuade—and I quote just one example which is very much in our mind now—Washington not to raise the present duty on fish or not to put a duty on fish? The pressures in that direction are already very great, as the report, from the tariff commission over there indicates. Those pressures would probably be intolerable for any United States administration if there was any threatening of discriminatory action from this side of the border. I think the government should be warned on this matter.

So we come to the final method by which it might be done, namely the establishment of a free trade area between the United Kingdom and Canada. The United Kingdom government took seriously the Prime Minister's offer of the 15 per cent diversion, although I confess that some unkind people put it that they decided to call the Prime Minister's bluff. The result—an indication that they took it seriously—was the free trade proposal made by the United Kingdom government through the Chancellor of the Exchequer as the only practicable way of implementing the Canadian proposal. We know that in September of this year the minister of agriculture of the United Kingdom had not put forward, as we learned this afternoon, any formal proposal to this end but had indicated in Ottawa that this idea was very much in their mind.

The public offer, however, was first made—and I admit it was an unusual way in which to make it—at a press conference held in connection with the Mont Tremblant conference of finance ministers. Some of the details surrounding it, however, were, I was going to say, made clear—perhaps that is not exactly the right expression—were given to us this afternoon. What was the Canadian government's reaction to this offer by the United Kingdom government through the Chancellor of the Exchequer at Mont Tremblant? It was not what we had a right to expect it would be. It was one of surprise and consternation. Why the surprise, apart from the fact that there may have been earlier informal consideration of this matter. This was the only possible way in which the offer could be implemented. As the Manchester *Guardian* put it on September 20:

> The total of 15 per cent looks impracticable unless Mr. Diefenbaker is prepared to risk both unpopularity and upsetting the rhythm of parts of industry in Canada.

So the United Kingdom proposal was made and made seriously. Then silence fell on the Canadian Prime Minister and his colleagues where silence, though still golden, has lately not been customary. It was no doubt hoped that the whole unhappy business could be swept under the rug. There was not a word from the Prime Minister. There was not a word from the Minister of Finance except that it was a difficult proposition. There were a great many words from the Minister of Finance this afternoon but not many that threw much light on the government's attitude towards this proposal.

Then we remember—those of us who watched television—the appearance of the Minister of Finance when he was explaining this Mont Tremblant conference. I gathered the impression—and I hope that I am not being unfair to him—that on this occasion and in connection with this particular proposition he had lost some of his steely confidence. Why no welcome of this proposal, at least in principle, because it was the only way by which the 15 per cent could be diverted without direct discriminatory action against the United States. Why no appraisal of it for parliament or the people of Canada, even if that appraisal had to be an agonizing one.

Some journalists at Mont Tremblant reported that there was a Canadian government reaction and that it was one of "alarm and hostility". Is that right? Is there any information concerning it in the communique issued after the United Kingdom-Canadian talks in Ottawa? There is none. It was set aside as something of a long-term nature only. That was supposed to satisfy us in parliament and to satisfy the people in the country in connection with a proposal which has not been exceeded in importance in economic matters for many years in this country.

Instead of any indication of the government's decision on that proposal, we were given in the communique three decisions to increase British exports to this country. In so far as those proposals can be worked out they are to be welcomed. But what about the 15 per cent, no part of which would be affected by the proposals in the Ottawa communique? As Mr. Blakely of the *Gazette* said on October 7, and I think perhaps he is right in this: "The hair raising British free trade area proposal has been shelved". But, Mr. Speaker, it has not been shelved without some damage already being done to Anglo-Canadian relations because recriminations have already begun on both sides and misunderstandings have been created as to the nature of this proposal and as to whether it is, in fact, to be implemented.

Mr. Churchill: Nonsense.

Mr. Pearson: Let me just try to give some evidence of what I have said,—

Mr. Churchill: Try.

Mr. Pearson: —and which seems to amuse the Minister of Trade and Commerce (Mr. Churchill). The Hamilton *Spectator*, no great supporter of the Liberal party, says this:

> —it was callous of the British government merely to ridicule PM's offer by making proposals that were manifestly absurd.

Then there is the *Globe and Mail* of Toronto which was friendly enough to this proposal on October 2 when it first commented on it. Then something seems to have happened, because a few days later the same paper became extremely violent about the chancellor of the exchequer to whom it referred in terms which it often has used in respect of Americans whom it has disliked. That editorial—and this again surely does not help Anglo-Canadian relations—talks about

> —casual even callous action—

Referring to Mr. Thorneycroft:

> —his flambuoyant outburst . . . calamitous lapse of taste and judgment . . . by one ill-considered action he did serious harm to Anglo-Canadian relationships . . . his diplomacy of a kind we expect from Moscow not London.

I ask you, Mr. Speaker, why such an attack as this is made on the British government for taking a serious and obvious step in reply to a proposal made by the Canadian Prime Minister. *The Economist*, a magazine which my friend the hon. member for Greenwood so often quotes in this house, said on October

5 that Mr. Thorneycroft,—referring to the Chancellor of the Exchequer—in putting his proposal forward,

> —is saying, in clinical terms, what the statement by all the commonwealth finance ministers said in the usual pious phraseology on Tuesday, at the end of their meeting at Mont Tremblant, when they advocated in aid of the pound sterling the promotion of "freer and expanding trade and payments."

Then also this editorial in *The Economist* commented as follows:

> What is needed in commonwealth trade is a sense of shock and a clearing away of double-talk. Mr. Thorneycroft has administered the first; now is the time to get on with the second.

Mr. Speaker, I commend that advice to the government. They have had their shock, so let us clear away the doubletalk.

Mr. Hodgson: I think you fellows had a shock too.

Mr. Pearson: Let us hear what their policy is going to be with respect to this matter. We have heard nothing about it yet.

Mr. Bell (Carleton): What is your policy?

Mr. Pearson: Our policy over here is to get the government which is responsible to tell the people of Canada what their policy is.

An hon. Member: Well it is a lot better than yours ever have been, anyway.

Mr. Pearson: I was going to add a few comments about the Mont Tremblant conference and the upshot of that conference in respect to the commonwealth economic situation, but I see that my time is running short and I will reserve my comments on that subject for another day.

Mr. Hodgson: Why do you not go back and tell us about the Suez affair.

Mr. Pearson: I will be very glad to talk to my hon. friend either inside or outside the house on that matter at any time that it is proper to do so.

Mr. Hodgson: I hope you will have an opportunity to talk to me outside the house.

Mr. Pearson: My hon. friend referred to the Suez affair and I commend him to the new Secretary of State for External Affairs, Mr. Smith, who took such a realistic attitude with respect to that matter.

Mr. Hodgson: You probably will not have time to talk to me about that outside of the house.

Mr. Speaker: Order.

Mr. Pearson: Now the Prime Minister spoke with his customary vigour at Charlottetown a few weeks ago. According to the press, and that is all I have to go on, he indicated that as a result of his Dartmouth speech, which we have all read with so much interest, the United States had made a new appraisal of its trade policies and of certain measures which had not been passed at the recent session of congress. Therefore, in the light of that optimistic forecast respecting the influence of the Canadian government in Washington we might have been pardoned for expecting great results from this Washington meeting. Well, did they occur? I think it has never been better put than by Mr. Blakely the columnist in the Montreal *Gazette*, when he wrote that there had been other pilgrimages to Washington—and I have taken part in them myself—which could be said to have produced nothing, but it is doubtful there have been any which could be said to have produced less than this one. The *Gazette*, I think although I am not sure it was on the same day, in its editorial columns, in explaining some of the difficulties that have to be faced, described this pilgrimage as a force less than irresistible which met an object not perceptibly movable.

Now with respect to the Washington communique which my hon. friend the Minister of Finance discussed at some length this afternoon, I might say I know something about communiques issued after international conferences and I have had a good deal of experience in reading between their lines. I have indeed compared this one with two other communiques previously issued after such conferences, but in this case we do not have to read between the lines. The secretary of commerce is reported to have said, which statement was explained in this house this afternoon, "We fixed them". I know it was explained by the Minister of Finance that he was speaking in a jocular way and I am sure he did not expect those words to be reproduced in the press. Perhaps that makes them all the more impressive.

The Minister of Finance referred this afternoon to the fine atmosphere of the conference and I am sure the atmosphere was fine. He said, although he did not use these words, that we really laid it on the line and made known the Canadian position exactly and in much stronger terms than previously. However, the United States undersecretary of state in charge of economic affairs, as reported in Washington, is said to have expressed some satisfaction—and perhaps the satisfaction is understandable in view of the feeling he would have had in advance of the arrival of this delegation—and to have said that the general climate on the wheat problem at these talks was better than that at the meeting he attended in Ottawa before the election. I suspect it was because at

that earlier meeting the United States government was left in no doubt as to our views and there was no desire on their part at that time to issue a communique in which we would have expressed our views.

The communique speaks for itself—the Americans will do "what they can" to help us. They will do away with these barter transactions of which my hon. friend made so much this afternoon, without emphasizing the fact that this position was taken by them before the election. It was taken, as I understand it, not in the summer as he suggests, but last April. Then the Minister of Finance explained that it was different this time in Washington. To quote from a press statement made by him on leaving that city he said:

> The barter suspension has been confirmed in a Canadian context—

Whatever that may mean.

> —and this places it now on a level of an international agreement beyond domestic pressures.

I would say to my hon. friend that in the light of the experience I have had in negotiating and discussing economic matters with the United States I would never have gone out on that limb. I think he probably will very soon regret his confidence.

There has been domestic pressure brought before on their congress to alter an arrangement made previously by the administration. Well, Mr. Speaker, we will see what will happen. I, like all members of this house, hope that the result will be as forecast and that the Americans will abandon these arrangements and these practices. However the most important one and perhaps the most dangerous one has not even been mentioned in the communique. That is the question of tied-in sales. In short I think we will be making a great mistake if we go overboard with optimism on the results of this conference. This talk took place—

Mr. Speaker: I regret to inform the hon. member that his time has expired.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, the rather positive speech which we have just heard reminds me of when I first entered Victoria college in 1946. I noticed a mark up on the wall and I inquired as to how it got there—it was a sort of grease stain. I was told that a number of years ago a very radical undergraduate in a moment of protest had hurled a plate of butter at the wall. I inquired as to the name of the undergraduate and what had happened to him and it was reported that he was the secretary of state for external affairs. Now the story is probably apocryphal but it is very interesting for me as a new member to sit here and watch him spread butter in an entirely new way. I am glad, Mr. Speaker, to add my mite—spelled "mite"—to the congratulatory credits which have been accorded to you, to your deputy and to the mover (Mr. Smith, Calgary South) and the seconder (Mr. Arsenault) of the motions.

A maiden speech is usually or reportedly a moment of emotion and, at emotional times, I tend to turn to my favourite poet Sarah Binks, the prairie songstress. But not only do we have some Saskatchewan songsters here in my own party, we have a really sonorous and melodious songster on the treasury bench and so I am going to move on without any metered flourishes to the flat directness of northwestern Ontario. I plan to cover the following topics.

Firstly, the significance of the electoral result in the constituency of Port Arthur; secondly the role of the press and television in the political campaign; thirdly the problems of the constituency of Port Arthur; and fourthly, some questions on the principles and ideas of Liberals and Conservatives. That is to say the parties, not the small "l" liberal or the small "c" conservative.

Love and liking have been very noticeable in the drama which has so far unfolded in the House of Commons. Everybody loves democracy, everybody loves the monarchy, everybody loves the French language, everybody loves the old age pensioner, almost everybody loves the speech from the throne, everyone likes the Leader of the Opposition (Mr. St. Laurent) and everyone has a great deal of respect for the Speaker.

In this sweet atmosphere I felt that I could do no less than express from a distance my appreciation of an association even in a minor way, with some of the great figures of this house.

For example, the Minister of Finance (Mr. Fleming)—it is a conviction of mine that members of parliament do to some extent reflect the personality or the character of their constituents. A number of years ago, I earned my living in Toronto by delivering beer. Some routes in the city were much more prized than others. The member who represents Cabbagetown, or whose constituency covers that ward, may be interested to know, for example, that this area was a favourite one—one of the most prized in the city—because of the tips that were given—and one occasionally got something else as a reward for bringing the product around. One section of the city was very unpopular. That was the area of prosperity above St. Clair and centring on Eglinton. There the good women invariably insisted on a back-door delivery, often asked that the truck be parked several doors up the way, and were very careful to give only the exact change.

If the hon. minister reflects such circumspect frugality, he will make an ideal minister of finance. Of course, I will watch him closely, because we all remarked how the occasional Eglinton area housewife liked to scrub out a ketchup bottle and slip it in so as to pose as a lager bottle and reap the three cents.

Mr. Speaker, I am going to be very interested in watching the development of the party on my extreme left. I am sorry that there is to be no debate on health insurance or anything like that in the immediate future, because I would like to know the attitude of that party toward naturopathic medicine. I am wondering, too, whether they have any views on the McGill fence.

One last bit of personalia, Mr. Speaker, is with regard to the illustrious graduate of Victoria who is soon going to face problems in that direction. I hope the ghostly pipers of the 1948 Liberal convention will not march again, and if they do that they will not march successfully. We in this corner hope no young Lochinvar from the border comes and grabs the Liberal maiden early in 1958.

The two constituencies to the west of Port Arthur and the two constituencies to the east of Port Arthur returned Liberal members on June 10. A careless observer might say that Port Arthur's failure to do so reflected a weakness in the candidate. With all respect to the successful Liberals, such reasoning will not do. There are some reasons which I would offer for the failure of the former minister of trade and commerce to return here. I am not impudent enough to be Mr. Howe's valedictorian. The great corporations and trusts of Canada will do and are doing that chore. I would suggest, however, that our electoral victory in Port Arthur does represent a vindication for the view that the Canadian people want parliament to retain its right of free discussions, and that an abstract issue can be taken seriously by the voters. Further, the campaign in Port Arthur reveals, in my opinion, that when a C.C.F. candidate is in a fairly equal position in presenting his party's policies, a goodly portion of the electorate can appreciate its merits. One accolade one can bestow on Mr. Howe is that he never used his tremendous power to build up a personal machine in his riding. There was no P.F.R.A. in the constituency of Port Arthur.

On this matter of party warfare and party machines I would like to refer one of the members of the treasury branch to a newsletter, No. 177, of the Canadian chamber of commerce which said:

> Not very long ago a prominent provincial politician is reported to have said 'It is no secret that the country represented by the (party in power) member has a better chance of getting government help than a country where (an opposition) member is elected . . . That is only human nature, and there is nothing we can do to change that. This, in effect, tells the voters of that particular area that unless they vote the right way they can expect nothing from the government.

Recently a minister of the new government, on a lightning foray into the lakehead, made the remark that he was unaware of a certain contentious problem until the defeated Conservative candidate directed it to his notice. Gamesmanship such as this is of the spirit that the Canadian chamber of commerce deplores in its newsletter. May we have no more of it, even if in this case, Liberal members were the whipping boys.

On motion of Mr. Fisher the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Green: Mr. Speaker, tomorow we shall proceed with the resolution to provide for cash advances on grain. In view of the fact that we are not going on with the debate on the speech from the throne, I think the house will meet at 2.30 p.m. rather than at eleven o'clock in the morning. If there should be time left after this resolution has been dealt with the house will proceed to consider the four resolutions having to do with old age pensions, old age assistance, blind persons' pensions and disability pensions, and if we should succeed in completing all this business we will come back to the speech from the throne.

Mr. Speaker: In view of the announcement which has been made regarding tomorrow's business, this house stands adjourned until 2.30.

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:

INNISFAIL, ALTA.—ARMOURY RENOVATIONS

Question No. 24—**Mr. Shaw:**

1. What has been the total cost to date of renovations made to the armoury at Innisfail, Alberta?
2. What is the estimated cost of completing such renovations?

Answer by: **Hon. G. R. Pearkes (Minister of National Defence):**

1. Total cost of renovations since 1952—$20,600.

2. It is estimated that an additional sum of $775 will be required to complete these renovations.

C.B.C.—BOOSTER STATION PROGRAMS

Question No. 29—**Mr. Fisher:**

1. Is it imperative that the C.B.C. radio booster stations now serving small isolated communities do continue to broadcast only the trans-Canada network programs, even though the dominion network programs are readily available to these stations?
2. Has the C.B.C. received any requests from the communities served by such stations to have a switch to the dominion network from the trans-Canada network or to have an intermixing of such programs?
3. Have any of the operators of such stations been threatened with dismissal for making the switch for certain programs on their own initiative?

Answer by: **Hon. G. C. Nowlan (Minister of National Revenue):**

The Canadian Broadcasting Corporation advises:

1. It is necessary for operating and financial reasons that the C.B.C. radio relay stations in question generally carry trans-Canada network service, except that, in some instances where arrangements can be made without disrupting main network services, certain special programs from the dominion network are fed to the relay stations.

2. No. A few requests have been received from individuals.

3. No information available as the operators in question are not employees of the C.B.C.

C.B.C.—NOTICE OF RULES AND REGULATIONS

Question No. 30—**Mr. Fisher:**

1. How long is it since the C.B.C. issued a consolidated printing of the rules and regulations regarding the activities of private radio and television broadcasters?
2. If such a consolidation has not been made recently, is one contemplated?
3. How many regulations have been issued annually in each of the last three calendar years?

Questions

4. When a regulation is cancelled or superseded what action is taken to give the private stations a convenient record of the matter?

Answer by: **Hon. G. C. Nowlan (Minister of National Revenue):**

The Canadian Broadcasting Corporation advises:

1. The last complete issue of C.B.C. regulations for broadcasting stations was made in mimeograph form as of December 1, 1955.

2. Since the present issue is still up to date no further issue is contemplated until there is a change in the regulations.

3. 1955—3 changes in regulations; 1956 and 1957—none.

4. All stations are advised by special letter; in addition shortly afterwards they are supplied with a new revised issue of the regulations.

PLAYING FIELD, R.M.C., KINGSTON

Question No. 31—**Mr. Fisher:**

1. What was the final cost of the playing field and stands constructed at the Royal Military College, Kingston, near the causeway?
2. Is this field used to any extent?
3. If this field is not used what are the reasons for it?

Answer by: **Hon. G. R. Pearkes (Minister of National Defence):**

1. $24,700.

2. Yes. This field is used by the R.M.C. cadets for football games and track training practices.

3. Not applicable.

LOBSTER CONSERVATION, N.B.—ADVERTISEMENTS

Question No. 41—**Mr. Robichaud:**

1. Has the Department of Fisheries published in New Brunswick's daily or weekly newspapers any ads or publications having to do with the conservation of the lobster population, during the period January 1 to September 30, 1957?
2. If so, what were the names of the daily or weekly newspapers and number of ads published in each?

Answer by: **Hon. J. A. MacLean (Minister of Fisheries):**

1. Yes.

2. Newspaper	No. of Ads
Fundy Fisherman, Black's Harbour	1
St. Croix Courier, St. Stephen....	1
King's County Record, Sussex ...	1
The Gleaner, Fredericton	1
Telegraph-Journal-Times-Globe, Saint John	1
Tribune Post, Sackville	2
Commercial World, Chatham	6
Gazette, Chatham	6
North Shore Leader, Newcastle..	6

HOUSE OF COMMONS

Thursday, October 24, 1957

The house met at 2.30 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, October 24, 1957

Sir:

I have the honour to inform you that the Honourable Mr. Justice Robert Taschereau, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, the 24th October, at 5.45 p.m., for the purpose of giving royal assent to a certain bill.

I have the honour to be,
sir,
Your obedient servant,
J. F. Delaute,
Secretary to the Governor General
(Administrative)

UNITED NATIONS

TWELFTH ANNIVERSARY OF SIGNING OF CHARTER

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, with the leave of the house may I mention the fact that today is the twelfth anniversary of the signing of the charter of the United Nations. Canadians generally are joining with the other nations of the world in observing the anniversary of an organization which plays such a great role in the world of today. At the entrance to the parliament buildings are displayed the 82 flags of the member nations of the United Nations. The United Nations flag is being flown from the eastern flag pole of the centre block. This day represents an anniversary of an institution that we, as Canadians, believe to be necessary for the preservation and maintenance of peace. To that end Canada, in company with the other member nations, joins in a rededication to its principles.

Right Hon. L. S. St. Laurent (Leader of the Opposition): I am sure all hon. members read with interest the statement that was issued by the Prime Minister earlier today in connection with the twelfth anniversary of the coming into force of the charter of the United Nations. We have all listened with some emotion to the references the Prime Minister has made to that anniversary. I think it is fortunate that in this country the Canadian people generally have regarded the attitude of the Canadian government toward that organization as something that was not the subject of any political partisanship, but that it has the unanimous support of the Canadian people because of the aims and ideals of that great organization.

It is now 12 years since the charter became operative. Not all the hopes of the right hon. gentleman and others who were with me at the time the charter was under discussion at San Francisco have been realized. Nevertheless I think there will be general agreement that it has served a useful purpose, and that it is still one of the main hopes of most of civilized humanity for the maintenance of as peaceful conditions in this troubled world as are possible under the present circumstances.

Mr. M. J. Coldwell (Rosetown-Biggar): I am quite sure that there is unanimity, both in the House of Commons and in the country, regarding the recognition of this day and the signing of the charter of the United Nations. Those of us who had the privilege of being present at the San Francisco conference will remember the great hopes we had for the future under the United Nations charter. Those hopes have not all been realized. Nonetheless, it is better to have had a place where men of diverse views, representing nations with many interests, could get together and talk their problems out than to indulge in a shooting war.

In looking to the future, we can all hope the United Nations will fulfil its functions much better in the future than it has in the past. I have no doubt it has already played a great part in preserving the peace of the world and in bringing help to the underdeveloped countries and the less privileged nations of the world. I have no doubt it will continue to do that, and will serve mankind better in the future than it has in the past.

Mr. Solon E. Low (Peace River): I am sure there is unanimity of hopes and wishes, perhaps even of dreams throughout Canada and particularly throughout this house concerning the United Nations. I am very glad to add my voice to those who have already spoken in this chamber today in connection with this twelfth anniversary of the putting in force of the United Nations charter. It is true that the international organization that was born 12 years ago has not fulfilled all the hopes and dreams we had concerning it. There were weaknesses in the charter to begin with, and those weaknesses have

been intensified over the years, in the opinion of many people. Nevertheless it appears to be the only international forum that we have in existence where the nations of the world can meet and talk out their problems rather than resorting to a shooting war.

Recognizing that fact, we all must express the hope that the work of the United Nations will become much more effective in the years ahead.

CRIMINAL CODE

AMENDMENTS WITH RESPECT TO SUBVERSIVE ACTIVITIES

Mr. Wilfrid LaCroix (Quebec-Montmorency) moved for leave to introduce Bill No. 13, to amend the Criminal Code (subversive activities).

Some hon. Members: Explain.

Mr. LaCroix: The purpose of the first amendment is to make it a criminal offence for any person to participate in subversive activities with a view to establishing in Canada a totalitarian dictatorship contrary to our democratic way of life.

The purpose of the second amendment is to prevent dissemination through the mails of subversive propaganda.

Motion agreed to and bill read the first time.

WAR VETERANS ALLOWANCE ACT

AMENDMENTS RESPECTING ALLOWANCES, INCOME, COVERAGE, ETC.

Hon. A. J. Brooks (Minister of Veterans Affairs) 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 War Veterans Allowance Act, 1952, to increase the monthly rates of certain allowances and permissible income; to extend the provisions of the act to additional classes of veterans, widows and orphans; and to increase the salaries of the members of the war veterans allowance board.

Motion agreed to.

PENSION ACT

AMENDMENTS RESPECTING DEPENDANTS, ETC.

Hon. A. J. Brooks (Minister of Veterans Affairs) 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 Pension Act to place dependants of persons who served in world war II in a position comparable to that of dependants of persons who served in world war I in cases of disability or death due to improper conduct; to ensure that pensions may be paid to the dependants of deceased members of the forces resident and domiciled in Newfoundland; to provide for the continuation of disability pensions and widows' pensions to the end of the month in which death occurred except in cases where no additional pension for dependants is payable; to provide for the payment of pension to the daughter of a pensioned widower where the domestic establishment is maintained after his death; to provide for an increase in the clothing allowance on account of amputation or use of appliances; to provide for an increase in the allowances for funeral and burial expenses; to remove the limitation on the amount of pension payable to a dependent parent of a deceased pensioner after discontinuance of pension to other dependants; to authorize payment of widows' pensions at current rates upon reinstatement of discontinued pensions; and to remove the limitation on payment of pensions to or in respect of children born after a specified date, or to wives whose marriage to a member of the forces or a pensioner took place after a specified date; such measure to include, in addition, certain consequential and clarifying amendments.

Motion agreed to.

TRADE

REPORTED TRADE MISSION TO COMMUNIST CHINA

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): May I be permitted to direct a question to the Minister of Trade and Commerce. Can the minister now inform the house regarding the proposed visit of our trade commissioner at Hong Kong—if he proceeds to China to look into the possibilities of trade on the mainland, what arrangements are being made for his visit, who will obtain for him the necessary visa and provide advice, introductions, and protection for him when he is in China? Is he to be accompanied by any official of any other department and, if so, what department; and what steps will be taken to secure visas for them also?

Hon. Gordon Churchill (Minister of Trade and Commerce): In view of the interest of the house in this matter I am having a full report prepared, which I hope to make available at the earliest possible date.

OATS—CANADIAN LIMIT ON EXPORTS TO U.S.

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to direct a question to the Minister of Trade and Commerce. I am sorry I did not give him notice, but I think he will be able to answer it. Yesterday I inquired about Canada's agreement, as recorded at page 861 of *Hansard* of December 14, 1953, to limit the export of oats to the United States for a relatively short period. Since these short periods sometimes become rather extended, I should like to ask if Canada still limits the export of oats or any other grain to the United States, and whether this

arrangement has been ended or replaced by any other agreement or understanding having substantially the same effect.

Hon. Gordon Churchill (Minister of Trade and Commerce): I should like to look up the reference to which the hon. member has referred me and make a reply tomorrow.

HOUSING

REPORTED INCREASE IN INTEREST RATES

On the orders of the day:

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I would like to address a question to the Minister of Finance. My question arises out of a newspaper item which appeared in the Ottawa *Citizen* yesterday, and which reads as follows:

> Interest rate has been upped from 4¼ per cent to 4½ per cent on government-insured loans for low-rental housing developments.
>
> Rate on loans for "primary industry" loans made to companies building company housing has been upped from 5¼ per cent to 5½ per cent.

My question, based on that item, is this. In view of the minister's strictures on the previous government with regard to the raising of interest rates, does he care to comment in this particular connection?

Hon. Donald M. Fleming (Minister of Finance): I am sorry, Mr. Speaker, but I could not hear the hon. member reading from the news article in question. I will be glad to have a look at it, and if any comment is warranted I will be glad to make it.

CAMP PETAWAWA—ALLEGED SHORTAGE OF ACCOMMODATION

On the orders of the day:

Mr. J. M. Forgie (Renfrew North): I should like to direct a question to the Minister of National Defence. Is he aware of the acute shortage of housing at Camp Petawawa, and if so what steps are being taken to remedy it? Why has the agreement for the construction of houses for troops at Camp Petawawa, made prior to June 10, not been implemented?

Hon. G. R. Pearkes (Minister of National Defence): There is a shortage of married quarters and housing facilities as a result of the return of the men who have been stationed in Germany. This shortage is being partly taken care of by the facilities which are granted to the men to find locations within 500 miles of Petawawa. There are 35 days granted to the men to enable them to be thus located.

In addition there is a housing program continuing at Petawawa, and I believe some 150 houses are under construction.

Mr. Forgie: May I ask a supplementary question. Is the minister aware that this acute housing situation has existed for some considerable time, and that the agreement that was entered into prior to June 10 for the construction of houses on property purchased by the Department of Veterans Affairs and the Department of National Defence, with the assistance of an entrepreneur at no cost whatever to the department, has not been implemented but has been postponed?

Mr. Pearkes: I will take that question as notice.

FINANCE

UNIVERSITY OF TORONTO—INQUIRY AS TO FEDERAL GRANT

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I would like to ask the Minister of Finance, in view of the statement made at a Progressive Conservative meeting at the University of Toronto by the provincial treasurer of Ontario with respect to university grants, whether the vote for university grants in Mr. Harris' estimates is one of the votes he intends to reduce at this session.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I was not at the meeting in question. I gather that my hon. friend was present.

Mr. Pickersgill: It is very well reported in the press.

Mr. Fleming: He is quoting something he appears to have heard. I have not announced any intention of proposing any reduction in the item in question.

Mr. Pickersgill: May I ask a supplementary question then, Mr. Speaker. May I ask the Prime Minister if the government has any intention of reducing the university grants?

Mr. Speaker: May I say with respect to the question that it is a direct request for an announcement of policy, which is hardly the function of oral questions on orders of the day. If the minister wishes to deal with it, then that is his decision.

PENITENTIARIES

ALBERTA—REQUEST FOR CONSTRUCTION OF NEW BUILDING IN DRUMHELLER AREA

On the orders of the day:

Mr. C. E. Johnston (Bow River): I would like to ask a question of the Minister of Justice (Mr. Fulton) which I would have asked yesterday but the minister was away.

I understand he was ill, and I am glad to see he has now regained his health and is here today.

The question I wish to direct to the minister is as follows. Will the minister make a statement to the house concerning the government's intention of constructing a penitentiary in Alberta in the near future? Will he also state if the government will give consideration to constructing this penitentiary in the Drumheller area, as reported by myself on many previous occasions and by the Drumheller and district chamber of commerce by letter to the minister dated August 26, 1957?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I would like to thank the hon. member for his kind words, and also for having given me notice of his intention to ask this question. In reply I would advise him and other hon. members who are interested that the construction of a new penitentiary in western Canada is being held in abeyance until there has been an opportunity of discussing with all the provinces concerned the proposal contained in the report of Mr. Justice Fauteux's committee that the dominion authorities should take over a large number of prisoners now looked after by the provinces.

This may involve agreement with the provinces for the taking over of some existing provincial institutions if agreement on the overall question is reached.

Therefore about all I can say in direct answer to the question is that if and when new construction by the dominion authorities is considered necessary, representations made on behalf of Drumheller as well as those made on behalf on many other municipalities and districts in British Columbia and Alberta will receive due consideration.

MINES AND TECHNICAL SURVEYS

REQUEST FOR SURVEY IN SOUTHEASTERN NEW BRUNSWICK

On the orders of the day:

Mr. Henry Murphy (Westmorland): Mr. Speaker, I would like to direct a question to the Minister of Mines and Technical Surveys. Will the government give consideration to conducting an immediate airborne magnetic survey in southeastern New Brunswick to include the counties of Westmorland and Albert?

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, I will take good note of the question asked by the hon. member and give him an appropriate answer at the first opportunity.

[Mr. Johnston (Bow River).]

INDUSTRY

NOVA SCOTIA—STATEMENT ON EFFECT OF DOSCO PURCHASE ON COAL AND STEEL INDUSTRY

On the orders of the day:

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, the hon. member for Inverness-Richmond asked on October 18 if any studies have been made by the Department of Mines and Technical Surveys to determine the possible effect of the purchase of Dosco by A. V. Roe, on the Nova Scotia coal and steel industry. The answer is no, because a public statement is yet to come from A. V. Roe as to the future policy of the company. The dominion coal board will continue to analyse the company's operation on a day to day basis, as it has done in the past.

In answer to the supplementary question on the same subject asked by the hon. member for Gloucester, the minister and the dominion coal board are aware of the situation, and this government is doing its best to improve it, according to its policy.

CANADIAN BROADCASTING CORPORATION

REPORTED ESTABLISHMENT OF SATELLITE STATIONS IN NORTHWESTERN ONTARIO

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, may I address a question to the Minister of National Revenue, of which notice has been sent him. I would like to ask whether the following report in the Port Arthur *News-Chronicle* of October 23 is true—

Mr. Speaker: Order. The hon. member was good enough to send me a copy of the question he proposed to ask. I am sorry I did not have an opportunity to communicate with him, but may I request him to put his question as a question of fact arising from the report, and not to read the report itself. It is not customary to read such reports or make any statement of facts other than what may be necessary to explain the question itself.

Mr. Fisher: Thank you, Mr. Speaker. I would like to ask the Minister of National Revenue whether the gist of this report is true, namely that the C.B.C. has committed itself to establishing four satellite transmission stations in northwestern Ontario, as announced by the provincial member of parliament last night in Port Arthur?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, the hon. member was good enough to send me notice of this question which I received this morning.

The senior officers of the C.B.C. under whose aegis this falls are in Toronto and were tied up by the fact that their plane was grounded, as a result of which I have not been able to speak to them personally about the matter.

I do know of my own knowledge that the C.B.C. has been making exploratory surveys with regard to the possible extension of services in the area to which the hon. member has drawn attention, as well as in other areas in Canada. These steps are exploratory only; no firm commitments have been made, and I would assume that no firm commitments could be made until parliament had authorized sufficient funds to the C.B.C. for the forward program.

Mr. Fisher: Mr. Speaker, may I ask a supplementary question. Does this mean that the report is untrue?

Mr. Nowlan: I have not seen the report, Mr. Speaker, so I am not prepared to comment upon it at all. I presume it has some semblance of correctness, the same as the report I have in my hand of an interview the hon. member gave to the press some time ago in which he prophesied what the C.B.C. was going to do.

HEALTH INSURANCE

REPORTED REQUEST FOR MEETING OF PROVINCIAL MINISTERS

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to ask the Minister of National Health and Welfare if it is true, as reported in the Winnipeg *Free Press* of October 18, that the minister of health of Manitoba has asked my hon. friend to call a meeting of provincial ministers of health to discuss the federal government's hospital insurance program and, if such a request has been received, would the minister advise the house as to the government's intention in that matter?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I would like to thank the hon. member for having informed me of his intention to ask this question. I have seen the article to which he refers, and it is true that the minister of health of Manitoba has corresponded with me and we have replied. I think the hon. member for Winnipeg North Centre (Mr. Knowles) asked if we would table the correspondence, as will be done.

I can say that the government is giving very intensive consideration to the whole matter.

Mr. Martin (Essex East): A supplementary question, Mr. Speaker. Perhaps before the conference is held it would be possible for the minister to give consideration to answering the questions which stand in my name in respect of this matter.

Mr. Monteith: Yes, I would be delighted, Mr. Speaker.

FRUIT

APPLES—REPORTED IMPORTATION OF UNITED STATES CULLS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, prior to the discussion of the problems concerning wheat growers this afternoon I should like to direct a question to the Minister of Agriculture that concerns apple growers.

Some hon. Members: Hear, hear.

Mr. Herridge: Would the minister inform the house what steps are being taken by his department to prevent the importation and sale of cull apples from the United States in Canada, and what steps are being taken by the minister's department to promote the sale of Canadian apples in Canada?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I wish to thank the hon. member for giving me notice of this question. Yesterday the hon. member for Melville brought this matter to my attention, and gave me a sample of some of these cull apples which had been turned over to him. I immediately took up the matter with the officials of my department and gave them instructions to investigate this particular shipment and also to find out what other shipments, if any, were coming into the country and to prepare a memorandum for me on the possible steps we could take in order to prevent shipments of this kind coming into Canada.

PUBLIC SERVICE

OTTAWA—PROVISION OF SUITABLE ATTIRE FOR MESSENGER SERVICE

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I should like to direct a question to the Minister of Public Works, although I recognize that possibly it comes within your purview. I regret that I did not have time to send notice of this question, but it might be taken as such.

What provision, if any, is made for suitable attire in inclement weather such as we have today in Ottawa for the messenger service operating between government-operated buildings?

Hon. Howard C. Green (Minister of Public Works): Well, Mr. Speaker, I have quite a lot of duties, some of which I have not discovered yet. However, I do not think I have anything to do with providing uniforms for the staff of the house.

Mr. Nowlan: Nor umbrellas.

Mr. Green: Indeed, nor umbrellas.

[*Later:*]

Mr. Solon E. Low (Peace River): Mr. Speaker, I want to follow up the matter raised by the hon. member for New Westminster. I am sure if the house leader had understood fully the question that was asked he would have given a little different answer. That may have been our fault. We realize that the matter of providing suitable rain gear for the messengers in the government service, particularly those in the service of the house, comes within Your Honour's purview, but we cannot ask you questions.

We would like to ask the house leader if he will discuss with Mr. Speaker the possibility of providing suitable rain gear for these messengers, and then make some announcement in the house. I draw the attention of the house leader to the fact that we expect these gentlemen to go out at call in all kinds of weather. Many of them do not have suitable rain gear, and I have seen them come back to the building soaked to the skin.

Mr. Green: Mr. Speaker, now that the matter has been drawn to Your Honour's attention I am sure you will not need any assistance from me in dealing with it.

LABOUR CONDITIONS

QUEBEC CITY—REPORTED CRITICAL UNEMPLOYMENT SITUATION

On the orders of the day:

Mr. Rene Begin (Quebec West): Mr. Speaker, I would like to direct a question to the Minister of Labour. Would the minister tell me if the government or his department has taken or intends to take any special measure concerning the critical situation in which Quebec city and especially my riding of Quebec West now find themselves due to ever-increasing unemployment?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the same action is being taken in Quebec West as in any other part of Canada where we have unemployment at the present time.

Mr. Martin (Essex East): What is the action?

Some hon. Members: What action?

[Mr. Hahn.]

Hon. James Sinclair (Coast-Capilano): Mr. Speaker, I should like to ask a supplementary question of the Minister of Labour. I wonder whether he would detail to the house this action which he is taking across the country to counter unemployment which is rising so alarmingly.

Some hon. Members: Order.

Mr. Starr: Mr. Speaker, in reply to the hon. member's question I wish he would look up *Hansard,* where I answered a question of the same nature very fully as to what the Department of Labour was doing at this moment and what action the government was taking at this moment. I do not know what else can be done at present to offset the heritage that we received from the former government—

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear.

Mr. Starr: —and the conditions which have arisen because of the policies of the hon. gentleman and others on the other side of the house.

Mr. Sinclair: I would remind the minister—

Mr. Fleming: Are you going to ask for more?

An hon. Member: Let him ask his question.

Mr. Sinclair: There will be lots of time to discuss unemployment. Is the minister aware that, despite his words in the house, unemployment has increased every day in this country since the government took office?

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear.

Mr. Starr: Mr. Speaker, I did not want to say anything about this matter but since the hon. gentleman has brought it up may I say that on a number of occasions members have risen and asked questions about unemployment and compared October of this year with October of last year, but unemployment in June was higher than in both those instances.

(Translation):

UNEMPLOYMENT—INQUIRY AS TO LAY-OFFS IN LOUISEVILLE, QUE.

On the orders of the day:

Mr. Joseph Langlois (Berthier-Maskinonge-Delanaudiere): Mr. Speaker, I should like to ask a question of the hon. Minister of Finance. In view of the lay-offs which are occurring in the Louiseville textile industry, in my riding, as a consequence of increased imports of British textiles, as reported in yesterday morning's *Gazette,* what measures is the government contemplating in order to

prevent further increase of these imports, so as to protect our own industry?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I did not read yesterday's *Gazette* and, therefore, shall answer tomorrow the question asked by the hon. member.

(Text):

CANADIAN NATIONAL RAILWAYS—REPORTED LAY-OFFS AT TRANSCONA

On the orders of the day:

Mr. Louis Deniset (St. Boniface): I should like to direct a question to the Minister of Transport. In view of reports which have appeared in the Winnipeg *Free Press* indicating lay-offs for Canadian National Railways employees in Transcona, as well as elsewhere, are any efforts being made to assimilate into other branches those men displaced by dieselization?

Hon. George H. Hees (Minister of Transport): Whenever lay-offs become necessary in any part of the Canadian National Railways system, all efforts are made to assimilate the affected personnel.

[*Later:*]

Mr. Deniset: Mr. Speaker, I should like to ask a supplementary question of the Minister of Transport in view of his reply that efforts are being made regarding such lay-offs. What efforts are being made in Transcona, which is the nerve centre of employment in Manitoba?

Mr. Hees: Mr. Speaker, I think I should make my answer very clear. Whenever lay-offs unfortunately become necessary, the Canadian National Railways make every possible effort to find other work for those people who are affected.

Mr. Deniset: Could we ask on another occasion for at least some idea of what those efforts are, something specific?

REQUEST FOR DEBATE ON UNEMPLOYMENT SITUATION

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): My question is supplementary to the Minister of Labour's answer concerning the unemployment situation in the city of Montreal. In view of the alarming increase in unemployment, would the minister consider setting a date for a general debate on unemployment in order that this house may examine the reasons for the sharp increase since June 10?

Hon. Michael Starr (Minister of Labour): I should like to inform the hon. member that if he wishes to bring up what he terms the acute unemployment situation in Montreal he may do so in his speech on the address in reply to the speech from the throne. I want to point out to him that since June there has been a drop of 5,577 in the unemployed. When we took office there were 5,577 more unemployed than there are at the present moment.

Mr. Deschatelets: May I ask a supplementary question. Do we have to assume that this government is afraid to discuss this matter of unemployment?

NATIONAL PARKS

QUEBEC CITY—PROMENADE OUTSIDE CITADEL WALLS

On the orders of the day:

Hon. Jean Lesage (Montmagny-L'Islet): Mr. Speaker, I would like to direct a question to the Minister of Northern Affairs and National Resources. Has a contract been awarded for the building of a promenade outside the Citadel walls around Cap Diamant in Quebec city in order that the work can be completed in 1958, which marks the 350th anniversary of Quebec city?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, I want to thank the hon. member for his patience in trying to get his question before this house the last two days. The answer is no.

Mr. Lesage: A supplementary question, Mr. Speaker. Is it the intention of the minister to ask for tenders and to award a contract before the end of the present fiscal year?

Mr. Hamilton (Qu'Appelle): As the hon. member knows, the construction of this board walk and ancillary services is a very complicated project requiring the most careful designing. With the very limited facilities at the department's disposal it has not been possible to complete the design work yet, and it will probably take some months to finish the task. We know now that it will take two construction seasons to complete the project; therefore it could not be finished in any event in time for the celebration of the 350th anniversary of the founding of Quebec city. In these circumstances the project is being given further consideration.

Mr. Lesage: I have a further supplementary question. Is the $50,000 provided for that purpose in the supplementary estimates

still available for that purpose, or has it been transferred for other purposes?

Mr. Hamilton (Qu'Appelle): I should like to take that supplementary question as notice.

IMMIGRATION

REFERENCE TO CHINESE BENEVOLENT ASSOCIATION BRIEF

On the orders of the day:

Mr. A. B. Macdonald (Vancouver-Kingsway): I should like to direct a question to the Minister of Citizenship and Immigration. Will he be able to advise the house soon that he has given careful consideration to the brief presented to him by Mr. Wong Foon Sien on behalf of the Chinese benevolent association?

Hon. E. D. Fulton (Acting Minister of Citizenship and Immigration): I would only say in reply that the brief is now before my department for consideration, and as soon as we are able to formulate some definite reply we will advise Mr. Foon Sien and make a copy available to the hon. member if it seems appropriate to do so.

BRIDGES

ALASKA HIGHWAY—DISRUPTION OF COMMUNICATIONS OVER PEACE RIVER

On the orders of the day:

Mr. F. C. Christian (Okanagan Boundary): I should like to direct a question to the Minister of National Defence or the appropriate minister. Can the minister bring the house up to date in connection with the matter of the Peace river bridge? Does the federal government intend to assume responsibility and liability for its reconstruction?

Hon. G. R. Pearkes (Minister of National Defence): A couple of days ago I told the house of the steps which were being taken to relieve the situation created by the collapse of the Peace river bridge. Those steps have been effective in that they are now restoring traffic. Future disposition will be a matter of awaiting further reports as to what action should be taken.

Mr. Christian: My other question was whether the federal government intends to assume responsibility and liability for the reconstruction of the bridge.

Mr. Pearkes: The responsibility of the federal government in connection with the northwest highway system is that it must be maintained as a military highway. The bridge is part of the northwest highway system, and unless some alternative routing is carried out traffic must be maintained in that area.

POSTAL SERVICE

REQUEST FOR TWICE-DAILY DELIVERY

On the orders of the day:

Mr. J. R. Garland (Nipissing): I should like to direct a question to the Postmaster General. In view of the minister's great interest when he was in the opposition and, indeed, the great interest of many other members, in the subject of two mail deliveries daily in the residential areas of Canadian towns and cities, can the minister now say on what date it is proposed that this service will be instituted?

Hon. W. M. Hamilton (Postmaster General): No, Mr. Speaker.

Mr. Garland: Can the minister say if he has at any time recommended this proposal to his colleagues in the present government?

Mr. Hamilton (Notre Dame de Grace): In the light of additional information which it is now possible to obtain from the department as minister, and which was rather difficult to obtain when I sat on the other side of the house—

Some hon. Members: Oh, oh.

Mr. Hamilton (Notre Dame de Grace): —this is a matter which I am considering at the present time.

Mr. Garland: Mr. Speaker, that was not the question I asked. I asked if at any time since the present government took over he as Postmaster General has recommended this action to his colleagues.

Some hon. Members: Hear, hear.

Some hon. Members: Oh, oh.

Mr. Harkness: The old "beating your wife" question.

Mr. Hamilton (Notre Dame de Grace): Mr. Speaker, unlike some of my predecessors on this side of the house it is my custom to consider a matter before making recommendations to the cabinet.

POWER

MEETINGS ON DISPOSITION OF DOWNSTREAM BENEFITS IN INTERNATIONAL WATERWAYS

On the orders of the day:

Hon. Jean Lesage (Montmagny-L'Islet): May I ask the Minister of Northern Affairs and National Resources if, since our exchange on Tuesday about negotiations with the United States authorities on the subject of

waters crossing the boundary, he has inquired from the department whether there have been any meetings with the United States authorities since May 20?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, if the hon. member will read my answer on that day he will get the answer to his question there.

Mr. Lesage: May I ask a supplementary question. The minister said on that occasion that there had been—

Some hon. Members: Order.

Mr. Harkness: Ask your question.

Mr. Lesage: —that there had been negotiations with members of the government of the United States. My question is a very simple one. Have there been any meetings? If there have been no meetings, how were those negotiations conducted?

Mr. Hamilton (Qu'Appelle): I believe the dangers of a minister speculating on such matters are obvious.

Mr. Lesage: As a further supplementary question, may I ask if there have been any meetings since May 20?

Mr. Gauthier (Portneuf): Answer.

Mr. H. W. Herridge (Kootenay West): In view of the fact the previous minister of northern affairs and national resources kept the house informed on these matters when questioned by his colleagues, as to dates of meetings, personnel, results and so on, would not the minister consider it would be in the interests of this house to follow his example?

NEWFOUNDLAND

REQUEST FOR STATEMENT ON PRESENCE OF U.S. ARMED FORCES

On the orders of the day:

Mr. L. T. Stick (Trinity-Conception): I should like to ask the Prime Minister if he will take into consideration making a statement on government policy regarding United States armed forces based in Newfoundland?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I see no reason for making such a statement. If there is any real reason at any time, I certainly will do so, but at the moment I can think of no reason why any statement should be made in that regard.

NATIONAL DEFENCE

NATO AIR TRAINING PROGRAM—CONTINUANCE OF CLARESHOLM TRAINING BASE

On the orders of the day:

Mr. E. G. Hansell (Macleod): I should like to direct a question to the Minister of National Defence, and it is in two parts, one general and the other specific. Will the minister inform the house whether or not there is to be any readjustment in Canada's contribution to the NATO air training plan? Would the minister make a statement in respect to the possible future of the air training school at Claresholm, Alberta?

Hon. G. R. Pearkes (Minister of National Defence): In answer to the first question, Canada agreed as part of her NATO commitments to train pilots and navigators of her NATO partners. Under that scheme some 5,000 students have already been trained. Most of the NATO countries have now built up their own training facilities so there is not the same requirement for Canada to train as many pilots for her NATO partners as when the NATO organization came into being.

In so far as the second part of the question is concerned, the reduction in the training of NATO students removes some of the requirement for the training facilities at Claresholm, and it is expected that station will be closed down by the end of 1958, unless there is some change in the over-all training plans.

INQUIRY AS TO PURCHASE OF GROUND TO AIR MISSILES

On the orders of the day:

Mr. Maurice Breton (Joliette-L'Assomption-Montcalm): Mr. Speaker, I wish to direct a question to the Minister of National Defence. Is it true that the government has the intention of abandoning the production of ground to air missiles, especially the "Sparrow", and that from now on the purchase of these missiles will be made from England?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, Canada has not entered into any agreement with any country at the present time for the production or purchase of any ground to air missiles.

GOLD

REQUEST FOR TABLING OF BRIEF PRESENTED TO GOVERNMENT

On the orders of the day:

Mr. M. W. Martin (Timmins): I should like to direct a question to the Minister of Finance. Has a brief been presented to the government by the gold mining industry

at a meeting on August 21 of this year? If so, will the minister table that brief for the information of hon. members?

Hon. Donald M. Fleming (Minister of Finance): A brief was submitted to the Minister of Finance in August by representatives of the gold mining industry. It has never been the practice to table in this house briefs submitted to ministers.

POST OFFICE DEPARTMENT

APPOINTMENT OF ASSISTANT TO DEPUTY MINISTER

On the orders of the day:

Mr. Guy Rouleau (Dollard): I should like to direct a question to the Postmaster General. Can the minister inform the house if it is his intention to appoint an assistant to his deputy minister? If so, I should like to know if he is in a position to tell us when that appointment will be made.

Hon. W. M. Hamilton (Postmaster General): I thank the hon. member for having given me notice of his question. It is not the intention to appoint an assistant deputy minister in the Post Office Department. The appointment which existed for about a year, until a few weeks ago, was an unusual one. We had no previous experience with that position. It was made in recognition of the fact that the deputy minister would be almost fully concerned for many months with preparations for the universal postal union congress, and was going to retire after that. It was necessary to have someone with a higher degree of authority than normal in order to assist him in his work.

REFERENCE TO DIRECTIVE CONCERNING MAIL CONTRACTORS

On the orders of the day:

Mr. W. J. Henderson (Kingston): Mr. Speaker, I wish to direct a question to the Postmaster General. I refer him to the general directive 9/4 MS dated August 8 and directed to mail contractors, which includes the statement that mail contractors are not civil servants and that if involved in political activity they may incur cancellation of the mail contract. My question to the Postmaster General is this. Did he authorize the contents of this directive?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, at the time I took office my attention was drawn by a number of people to the fact that rural mail contractors, or some of them, in the course of the performance of the duties for which they were paid by the federal government in carrying the mail were also engaging directly in political activity through carrying aspiring candidates with them on their routes and introducing them to the people to whom they were delivering mail, through displaying posters on their vehicles, and in other ways.

I must say that I feel the handling and delivery of Her Majesty's mail should not become involved in the immediate political life of this country. I took that view. Perhaps some others may take a different view; I do not know. Therefore after I discussed this matter with the officials of my department we came to the conclusion that it was advisable that these people who are handling the rural mail should be advised of the department's feeling on this matter.

I might point out that in all the years the previous government was in office no attempt whatsoever had been made to suggest to rural mail carriers that it would be preferable if they did not, at the same time as they were delivering Her Majesty's mail, carry political posters on their vehicles or carry around political candidates to introduce them to the people who were receiving that mail and others.

Mr. Lesage: Do I understand the Postmaster General to say the directive applies to rural mail carriers and mail contractors only during the time they are on duty?

Mr. Hamilton (Notre Dame de Grace): That was very definitely the thought in my mind, Mr. Speaker.

Mr. McIlraith: You didn't put that in the directive.

Mr. Hamilton (Notre Dame de Grace): These men are contractors who have a contractual obligation with the government, and in the performance of that contractual obligation I take the view that the government is in a position to decide what they may or may not do as a matter of propriety in carrying out their contracts. Now, it may very well be that some of the hon. gentlemen on the other side of the house have to have every jot and tittle of a government directive or suggestion spelled out for them, but I think I can say that our rural mail carriers are men with a very high degree of intelligence.

Mr. Lesage: May I ask a further supplementary question, Mr. Speaker. Under what statute was that directive issued?

Some hon. Members: Order paper.

Mr. Lesage: And do I understand that the mail contractor who has to carry mail from the station to the post office once per day—

Some hon. Members: Question.

Mr. Lesage: This is a question. Do I understand that a mail carrier who has to carry the mail once a day between the post office and the station, which takes him about one-half hour per day, is completely free for the 23½ hours which are left in each day to carry on political activities without being disturbed by the department or the minister?

Mr. Speaker: Order. This is going far beyond the range of supplementary questions. We started on a directive and if there is a supplementary question with respect to that, very well.

Mr. Lesage: With all due deference, Mr. Speaker, may I remark I am simply asking for a clarification of the directive.

An hon. Member: A very important one.

Mr. Hamilton (Notre Dame de Grace): If the government is expected to clarify each individual directive—

Mr. Sinclair: It should. That is your job, and you should not have to clarify a directive because it should be spelled out.

Mr. Hamilton (Notre Dame de Grace): May I suggest that the hon. member put his question on the order paper or perhaps ask it at a time when the estimates are before the house. Then at any appropriate time I will be delighted to deal with the question, because it is one in which I take a certain amount of pride. But I am inclined to feel it may be unwise to now take up the time of the house with a long series of questions.

Mr. Wesley Stuart (Charlotte): May I ask the Minister of Public Works if the same directive was issued to contractors who might be doing work for his department?

Hon. Howard C. Green (Minister of Public Works): Well, I do not know of any such directive issued by my department.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, may I direct a question to the Minister of Justice. Could he inform the house under what statute such a directive would be authorized?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I did not issue the directive; therefore the question has not come before me.

GRAIN

STATEMENT ON LICENSING OF OFF-SITE STORAGE

On the orders of the day:

Hon. Gordon Churchill (Minister of Trade and Commerce): May I answer a question which was asked two days ago by the hon. member for Humboldt-Melfort.

The question was:

Is it not a fact that the government is now approving and authorizing elevator companies to acquire off-site storage?

The answer is in the following terms. I am informed by the board of grain commissioners for Canada that no applications for off-site storage have been approved subsequent to June, 1956.

UNEMPLOYMENT INSURANCE COMMISSION

QUESNEL—ANNOUNCEMENT OF ESTABLISHMENT OF OFFICE

On the orders of the day:

Hon. Michael Starr (Minister of Labour): Mr. Speaker, may I reply to a question asked yesterday by the hon. member for Cariboo (Mr. Leboe). The hon. member pointed out, with some justification, that the people of Quesnel had been seeking an employment office for some time, and I trust he will be happy to learn that, this matter having been given consideration, such an office will be established very shortly in the federal building there. It will be a branch office under the office at Prince George.

STEEL

REPORTED DECISION TO INCREASE TARIFFS

On the orders of the day:

Mr. Jacob Schulz (Springfield): Mr. Speaker, I wish to direct a question to the Minister of Finance. It is really a repetition of a question I asked yesterday, when the minister complained that my language was not good enough and that he was therefore prevented from answering the question. Today I have constructed it as simply as I could in the hope that he may give a simple answer.

According to the press report the government has decided to proceed with plans to boost tariffs on a wide range of steel products, and has notified a number of countries which come under the general agreement on tariffs and trade, including the United States, of its intentions. Is this report correct?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I answered that question yesterday. I drew attention to some of the strong terms used in the question, such as talking about a boost on a wide range of steel products. I said that if I were to take the question literally I should no doubt have to give a negative answer. However, I felt that in fairness to the hon. gentleman I should not put too literal an interpretation on some of the rather strong expressions he used in his question, and that as I expect to be tabling certain reports of the tariff board within the

next several days I should be glad to make a statement on this subject at that time for the information of the house, if it is desired.

CITIZENSHIP AND IMMIGRATION

APPLICATIONS FOR CITIZENSHIP—STENOGRAPHIC RECORDS

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 Citizenship and Immigration. I had intended to ask him two questions but I will defer the second until he recovers from his temporary indisposition.

In view of the fact that, unless requested, stenographic records are not kept in courts of Canadian citizenship; in view of the fact that where applications for citizenship are opposed—and there is one being opposed at the present time in which a good many Canadians are interested, and I am glad it is being opposed—this is most important, would the minister give consideration to having stenographic records kept in all cases where applications for citizenship are opposed?

Hon. E. D. Fulton (Acting Minister of Citizenship and Immigration): Mr. Speaker, I appreciate the hon. gentleman's interest in my welfare but I can assure him that I feel equal to answering more than one question if he cares to ask it. However, I will deal with the one he has asked at the moment. As he himself has said, there is a great deal of interest in citizenship applications, in some more than in others. The point he raised is one of rather unusual interest, and I am glad he has raised it at this time. However, he himself will appreciate that it involves important policy considerations. The question of whether or not records of these proceedings should be kept and be made public is one on which no one would care to make a snap decision. I am grateful to the hon. member for having brought it specifically to my attention. I can assure him it is one to which we will give immediate study in the department and that, when we have reached a decision, if there is anything in that decision which involves a new policy which should be communicated to the house, we will do so at once.

THE CANADIAN ECONOMY

GORDON COMMISSION—STATEMENT ON FINAL REPORT

On the orders of the day:

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, yesterday I was asked a question by the hon. member for Ottawa West concerning the report of the royal commission on Canada's economic prospects and the expected date of the tabling of the official report, and also a particular publication. The hon. member sent me notice of his question, but it did not reach me until some time after he had put his question in the house.

Mr. McIlraith: I delivered it personally to your office in the morning.

Mr. Fleming: Well, apparently the hon. member delivered it to the wrong office, because it did not reach me until after his question was put to me in the house. I have made a statement which is a fact.

Mr. McIlraith: And I have made the statement that I delivered it to your office.

Mr. Fleming: Apparently the hon. member wants to be quarrelsome, but I have said it did not reach me until after the question was asked. Is that plain?

Mr. Chevrier: Don't lose your temper.

Mr. Fleming: I am not. There were two parts to the question, and I have already answered the first part orally. In reply to the question concerning the probability of issuance of a study entitled "Canada's Energy Prospects", I would like to inform the hon. member that this study has not yet been published. It is now in the hands of the printers, and is expected to be available for distribution by about the first week in December.

Hon. L. B. Pearson (Algoma East): May I ask the minister a supplementary question. With regard to his statement, could my hon. friend inform me as to the authors of this study on energy undertaken for the royal commission?

Mr. Fleming: I am afraid I cannot answer that question, but it will obviously be the persons appointed by the royal commission for that purpose. The royal commission engaged a number of experts to conduct, under the direction of the secretary of the commission, Mr. LePan, various studies, some of which have been published and some of which have not yet been completed or published. If my hon. friend is interested in having the names of the particular persons engaged on this one study I would be pleased to make inquiries in that regard.

Mr. Pearson: Thank you.

PRICE SPREADS

INQUIRY AS TO ESTABLISHMENT OF ROYAL COMMISSION

On the orders of the day:

Mr. Speaker: The hon. member for Moose Jaw-Lake Centre (Mr. Lewry) has been trying to catch my eye for some time, and I am sorry to have neglected him for so long.

Mr. Louis Lewry (Moose Jaw-Lake Centre): May I direct a question to the Prime Minister, arising out of the fact that No. 1 flour is now selling for $7 per hundredweight in western Canada while farmers are receiving $2 per hundredweight for wheat. In view of the necessity of inquiring into this exorbitant spread, can the Prime Minister yet say when the royal commission on price spreads will be established?

Right Hon. J. G. Diefenbaker (Prime Minister): As far as the preliminary remarks are concerned I have no information in that regard, but one of these days, as soon as we get the legislation now before the house passed by this house—the emergent legislation, as it were—then in due course the personnel of the commission will be announced.

BUSINESS OF THE HOUSE

STATEMENT ON REQUEST TO HAVE NOTICES OF MOTIONS AND QUESTIONS DEALT WITH

On the orders of the day:

Hon. Howard C. Green (Minister of Public Works): Yesterday the hon. member for Macleod (Mr. Hansell) asked whether it would be possible for some arrangement to be made whereby starred questions and notices of motions for the production of papers could be dealt with before the conclusion of the debate on the speech from the throne. If all members of the house are agreed, the government would be willing to have that course followed tomorrow, immediately preceding orders of the day.

Mr. Speaker: Is the proposed course agreeable to the house?

Some hon. Members: Agreed.

Mr. Hansell: Does that only apply to starred questions? How about the others?

Mr. Speaker: That referred to motions for production of papers, as I understood it. Is that correct?

Mr. Green: My understanding is, Mr. Speaker, that ordinary questions do not have to be raised on the floor of the house.

AGRICULTURE

REQUEST FOR LEGISLATION STABILIZING PRICES

On the orders of the day:

Mr. E. B. Huffman (Kent, Ont.): May I direct a question, Mr. Speaker, to the Minister of Agriculture, arising out of his answer a short time ago regarding stabilization of prices, which is referred to in the speech from the throne. Due to the very unsatisfactory prices that are being obtained for many commodities which are being harvested at the present time, would the minister consider before the conclusion of the speech from the throne debate the possibility of bringing in legislation regarding the stabilization of these prices? I ask this question since we find in our district that some of these commodities are now being distributed back on the soil which produced them because they are not worthy of the labour to harvest them.

Hon. D. S. Harkness (Minister of Agriculture): I am aware of the very unsatisfactory conditions which exist and have existed, as far as agriculture is concerned, for some considerable length of time. I found the situation in this regard, when I took office as Minister of Agriculture, extremely serious. I have been doing what I can to try and improve the situation as far as some agricultural products are concerned, and I can assure the hon. member that this government will continue to take every possible step with all possible speed to correct this unfortunate situation which we and the country inherited so far as agriculture is concerned.

Mr. Huffman: May I just ask the minister if he is aware that corn which was selling for $1.20 a while ago was marketed yesterday for 46 cents?

Mr. Sinclair: Shame, shame; the lowest since 1934.

GRAIN

MEASURE TO PROVIDE CASH ADVANCES ON FARM-STORED GRAIN

Hon. Gordon Churchill (Minister of Trade and Commerce) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to provide for the making of advances on account of initial payments for grain produced in the designated area, as defined in the Canadian Wheat Board Act, prior to delivery thereof upon undertakings by the producers thereof to deliver the grain to the Canadian wheat board; and to provide for the costs, expenses and other financial obligations required in the making of such advances; such measure to include such further related and consequential provisions as are necessary to give effect to the foregoing.

Motion agreed to and the house went into committee, Mr. Courtemanche in the chair.

Mr. Churchill: Mr. Chairman, this resolution is the first of a series of resolutions introducing measures which will be for the benefit of the people of Canada. This is the first item of our legislative program, and it is designed to permit prairie farmers to receive advance payment for the grain they can expect to deliver this year. The legislation is necessary because of the large surplus of wheat which has been accumulated in recent years due to a number of factors such as larger than average crops, a reduction in exports

because of the loss of former markets, increased productivity per acre, subsidized competition from other wheat exporting countries, and so on.

The facts of the grain problem are that on August 1 of this year there was in Canada in storage in country and terminal elevators and in transit about 400 million bushels of wheat. An additional 300 million bushels was estimated by the dominion bureau of statistics to be held on farms, making a total carryover of 700 million bushels. That constitutes a substantial legacy from the past.

The new crop year was commenced on August 1, and the estimate of production for 1957-58 is about 350 million bushels. With the elevators crammed to capacity the prairie farmer is at the present time in the unhappy position of having good quality wheat available but little or no opportunity to deliver to the elevator and, therefore, no prospect of receiving in the fall the cash return he requires from his year's operation and the cash return that he might reasonably expect. Through no fault of his own, and due to a situation beyond his control, the prairie farmer cannot get immediately the cash he needs for his farming expenses and daily requirements.

It is to meet that requirement, that immediate need, that the legislation about to be put before the house has been prepared. An active and vigorous selling program is in progress. There is no relaxation of our efforts to dispose of our stocks of wheat at a fair return to the farmer. At the second reading stage of the bill I will discuss our sales program as well as other aspects of our wheat economy. However, hon. members may be interested in the situation at the moment, and I have promised the hon. member for Assiniboia (Mr. Argue) that I will give an answer to his question the other day on that subject. But hon. members may have noticed an accurate report in the *Gazette* this morning which was headlined "Canada Wheat Leads the World" and which reads as follows:

> Canada led the world in wheat exports in August, though the amount shipped was slightly below that of last year. This was the first time in four years that Canada has topped the United States in wheat exports in the opening month of the new crop year. Canadian shipments totalled 27,200,000 bushels, down from 29,300,000 shipped in August last year, but above the 10-year average of 20,400,000 bushels.

That report comes from the dominion bureau of statistics.

The cash advance is not a hand-out or a subsidy to western farmers. All we are proposing is a cash advance on grain that will be delivered later, in the ensuing months. We have no reason to doubt that the grain will be delivered, that space will become available in the elevators, and that exports will continue. The grain export trade of Canada is proceeding actively. There will be used up within Canada during the 12-month period from August 1, 1957, to July 31, 1958, at least 150 million bushels of wheat in one way or another, and there will be exported from Canada approximately 300 million bushels. That means that the equivalent of this year's crop will be all used up and, in addition, 100 million bushels of the carryover from preceding years.

But we cannot expect the prairie farmer to wait six months or a year before he gets some cash. While he is waiting to make delivery of his grain we consider that he should have some money to tide him over. The scheme we propose has been made as simple as possible. For many years the farmer has been delivering his grain on a quota system, receiving an initial payment from the elevator agent and producing his permit book to have the transaction recorded. The same system will be continued. The permit book will be produced, the elevator agent will make the advance and record the transaction, and the wheat board will keep accurate files concerning each farmer's receipts in advance. The only differences are that the actual delivery of the grain will be made later, when elevator space becomes available, and the advance will, of course, be less than the initial payment.

Let us follow the procedure further. When elevator space becomes available the farmer will make his delivery, and one-half the value of the quantity of grain delivered will be applied to reducing the advance he has received. At each delivery the farmer will receive some cash so that he will not return home empty handed. Then, further, this fall he will get full return of the unit quota which is presently being delivered. Cash advances will apply on the 6-bushel quota which the wheat board considers will be applicable for the 1957-58 crop year.

The safeguards of the scheme are clear and definite. The chief one is the permit book in which will be recorded the cash advances that have been paid, and the elevator agent will be able to determine by an examination of the permit book whether or not an advance has been paid off. Responsibility for making the advance will rest with the elevator agent, and the agent must be reasonably sure that the farmer seeking the advance has on his farm the grain that must subsequently be delivered. In the third place, the farmer will be required to sign an affidavit in respect of the quantity of

grain available with respect to which he is seeking an advance, and I hope to deal with that question again when the opportunity presents itself. In the event I did not make it clear in my opening remarks I should reiterate that it is intended to have the cash advance system apply to wheat, oats and barley.

With regard to the financing of the scheme, that will be done in precisely the same way as at present when deliveries are made to an elevator, and shipments will be now entered with the wheat board and the offices of the elevator companies. With regard to the details of the financial aspect, we will be able to examine this in the committee stage.

The advance will be related to deliveries within a quota of 6 bushels per specified crop. The amount per bushel will be 50 cents for wheat, 20 cents for oats and 35 cents for barley. A ceiling of $3,000 will be set as the total that may be obtained by an applicant.

Now, to consider the size of the problem, the number of permit holders is approximately 231,000. Not every permit holder will require a cash advance, because conditions differ from area to area. I spoke about the unit quota. That is estimated to amount in total to 69 million bushels of wheat which will be complete in delivery very shortly, because the rate of marketing is approximately 30 million bushels per month.

With regard to the total amount of wheat that may be marketed in the course of the crop year, the estimate is based on the specified acreage and the returns from that acreage. It is expected that 372 million bushels would be the amount for which cash advances might be required. As each month proceeds deliveries are being made and the number of cash advances required will be correspondingly reduced. It is estimated, in so far as one can estimate in advance, that the total amount of money required for cash advances under the proposed plan may range from $100 million to $150 million. Repayment commences immediately as deliveries of grain are made, and in most instances will likely be completed within six or eight months. Interest charges as they accrue to the wheat board will be paid by the Minister of Finance out of the consolidated revenue fund, and administrative charges will be undertaken by the wheat board.

Those, Mr. Chairman, are the broad outlines of the plan for cash advances. I could have dealt at some considerable length with the wheat economy of western Canada and at this stage given the picture as I see it with regard to our wheat problem, but I thought at the resolution stage I would curtail my remarks. I know there are many hon. members in the house who are keenly interested in cash advances but who may prefer to discuss the subject on second reading or in the committee of the whole house after the printed bill is in their hands. If it is the wish of the house to complete the resolution stage today we could have the bill distributed this evening and proceed with second reading tomorrow, and on that occasion I would give a somewhat more complete account of our wheat problem. However, it is up to the good sense of the house as to what is required. We are prepared to discuss this at any stage and to any extent that hon. members may like.

In conclusion may I just say that the government is prepared to introduce this legislation at this time with confidence that its enactment will result in immediate benefit to agriculture. This measure is urgently required, and will be welcomed by thousands of farm families in western Canada.

Mr. Gardiner: Mr. Chairman, the resolution which has just been moved by the Minister of Trade and Commerce is of course of necessity in very general terms. It provides:

> That it is expedient to introduce a measure to provide for the making of advances on account of initial payments for grain produced in the designated area—

—that area being, of course, the usual area covered by matters relating to the wheat board's operation, the three prairie provinces and including a part of British Columbia.

When we in the opposition formed the government party we dealt with this question over quite a considerable period of time, and we can fully understand why on this occasion the minister asked that the resolution be accepted now and that general discussion of the question take place at a later stage in the advancement of the measure through the house. I am not going to make any criticism of that, nor am I going to suggest it should be done otherwise, as has been the usual custom in connection with matters of this kind. There were, however, one or two remarks made in the short time the minister took to introduce the resolution upon which I think some comment should be made.

One of them was his statement to the effect that there are over 700 million bushels of carryover. It will be recalled by hon. members in general and by the minister in particular that when the announcement was made earlier in the season it was suggested that the figure for the carryover was something in excess of 600 million bushels. When a statement is made today that statistics indicate it is now over 700 million bushels, I would simply call attention to the fact that those who handle the grain—that is the three

pools in western Canada and the grain exchange in Winnipeg—were of the opinion that the figure of 700 million bushels was rather high. I believe they all issued statements to the effect that they did not think this figure was borne out by the facts. I believe it is important that attention should be called to that fact at this moment, although I am sure there will be other occasions during the session when we can be perhaps a little more critical of the figure which is said to be the carryover.

The criticism I made when I read that statement in the press for the first time was to the effect that the reason given for the necessity for the adjustment was that the bureau of statistics had made a mistake for each of the last five years, and I have just been wondering whether the calculations of those who have made a mistake for the last five years should be accepted without some examination into the facts to discover whether or not they are correct this time, particularly as all those who are handling the grain feel they are wrong. I think we should have it pretty well established at an early date just what the figure ought to be.

There is another point I wish to make at this time, and it is that there is nothing unexpected in the suggestions made in the resolution nor in the statement which has just been made by the Minister of Trade and Commerce. As I have already pointed out, this is a subject which has been before the house on many previous occasions, and about which there has been considerable discussion.

But I am only going to refer to two of those occasions and only take a few words out of the statements which were made at the time to indicate the reason why there is no surprise when the statement is made at this time. When introducing amendments to the Prairie Grain Producers Interim Financing Act, a measure which had been on the statute books for some few years, the former minister of trade and commerce, the Right Hon. C. D. Howe, had this to say as found at page 2196 of *Hansard* of March 14, 1956:

> We were asked to enact this legislation by every farm organization in western Canada. I had thought as a matter of fact that our grain legislation could very well be deferred until the autumn, when any steps we might take could be taken in the light of the coming season's crop results.
>
> The Canadian Federation of Agriculture, western section, met in Winnipeg about two months ago—

That would be in January.

> —to discuss what it wanted the government to do and out of that meeting came just one request . . . There was a second meeting attended by representatives of every farm organization in Canada which was held in Saskatoon. The three wheat pools were represented, the federation of agriculture, the farmers' union and the United Grain Growers. From this meeting came just one request.
>
> [Mr. Gardiner.]

To pass on and leave out some of the details of the discussion, Mr. Howe went on to say:

> Why did we not get other requests from these meetings? I am sure both meetings discussed cash advances. That is what both meetings were held for. We received no request for cash advances. Why? Because there was no agreement as to how such a plan could be administered. I am told there was the widest difference among various groups as to what they wanted by way of machinery for cash advances.

The proposed amendments were suggested to the house and following that an amendment was moved by the hon. member for Moose Mountain and these two matters were under consideration for some time. The amendment moved by the hon. member for Moose Mountain was in these words, as found at page 2699 of *Hansard* of March 26, 1957:

> That Bill No. 263 be not now read a second time but that it be resolved that in the opinion of this house the government should give consideration to the advisability of introducing legislation to provide a permanent system of cash advances on farm-stored grain.

I am not too sure as to how permanent the present proposal is but it might be taken to be a proposal to pay such advances on a somewhat permanent basis. But when the measure to amend the Prairie Grain Producers Interim Financing Act came up for discussion in the house, again the former minister of trade and commerce was quite clear in expressing his views with regard to the matter. The matter before the house on April 6, 1957 was the amendment of the hon. member for Moose Mountain together with the proposed amendments to the previous legislation brought in by the minister of trade and commerce. In discussing the matter in his final remarks to the house before the bill received final passage, Mr. Howe stated, as found at page 3210 of *Hansard* of April 6, 1957:

> We have heard vague talk from the opposition about cash advances, free of interest, on farm-stored grain. Various people have suggested ways in which the cash could be put out but no one, as far as I have been able to follow the debate, has suggested any way in which such an advance could be recovered.
>
> Mr. Chairman, I did have a meeting with representative farm organizations a month or so ago, and at that time those present urged that this legislation be passed.

That is the legislation providing for bank loans.

> They said they were not ready to put forward any other plan at this time but that they might be in the autumn.

Of course, we have come to the autumn. Mr. Howe went on to point out that the proper time to give consideration to the matter would be in the autumn. He went on, as found at page 3210 of *Hansard*, to refer to the resolutions passed and wired him by the

farm organizations in that area of the country to the effect that the then government should again bring down the measure providing for loans from the banks, that they should double the amount and should change the date to the 1st of September. The measure brought down at that time took that action.

I only wish to emphasize at this time that the whole matter was to be reconsidered in the autumn. The only solution, the only plan I have ever heard of that was placed before the farm organizations of the west and the trade in general was a plan placed before them by the president of the Saskatchewan wheat pool, Mr. John Wesson. Insofar as I can understand the legislation from the few remarks made today that proposal is identical to the one which is now being proposed by the government. Of course we will find out as we go along whether it is exactly identical. There may be some difference in the figures that it will be necessary to discuss but in principle I think it is the same thing.

From the remarks which I have read and which were placed on *Hansard* last spring it will be understood, of course, that no agreement was reached by those to whom Mr. Wesson made the proposal on the matter. I understand it was placed before the three western pools and the grain trade and there was some difference of opinion as to whether they were prepared to accept the procedure which I understand this legislation provides for and which has been outlined to us in those terms this afternoon. But apparently many of the same individuals representing the same organizations were in Ottawa at a meeting which was held about two weeks ago. I am inclined to think that the ideas that were presented to the government were ideas which would have been presented to any government that might have been here at this particular time.

I want to say to the members of the present government that if the measure turns out to be one of the nature I think it is, judging from what I know of the whole situation they are not likely to find very much opposition from this group in the house with regard to the bringing down of the legislation and it will be our intention to promote, as far as it is possible to do so, the early bringing down of the legislation in order that we may have an early look at it and be in a position to discuss it intelligently, having all the facts before us when we do. Therefore I am not going to attempt to go into the detail of it at present. I am only going to say that it is carrying out an intention which it was indicated to the house by the previous minister of trade and commerce in March and April of this year would be carried out by the previous government.

Some hon. Members: Oh, oh!

Mr. Gardiner: Well, there is no doubt about it. My friends apparently have not been reading *Hansard*—

Mr. Hees: Was that what he said at Morris?

Mr. Gardiner:—and apparently they have forgotten what is in *Hansard*. They had better go back and read it. Then, of course, there is always the possibility that when we see the legislation there may be terms in it that will not be entirely satisfactory to us. Therefore I am not going to undertake at the moment that we will support the legislation in every particular when it comes down, but I am supporting the idea put forward this afternoon by the minister that this legislation should be brought down just as soon as possible, that we should take a good look at it and then make up our minds what we are going to do about it.

My friend says we should have done that a year ago. Probably he will find if he ever becomes a member of a government, as the members of the present government have already found, you have to give consideration to matters through a considerable period of time before you just spout out everything you think about them. That is the situation which exists at present. We do not know exactly what is going to be in the legislation, but we do feel it is necessary to provide the farmers who are growing wheat in western Canada and who are unable to sell it with as much cash as the treasury of the wheat board and the treasury of Canada can support. We are hopeful when this legislation is brought down that it will provide for something along that line.

There is one thing I should like to say at this stage. There is no indication in the remarks of the minister, nor is there any indication in the resolution, as to the government's intention with regard to the legislation covered by Bill No. 263 of the last session or the legislation of the 1956 session entitled the Prairie Grain Producers' Interim Financing Act. I should like to suggest that as the government found that measure helpful in the early part of this marketing season, it could be helpful in the early part of any marketing season and, as a matter of fact, all through the marketing period. I am hopeful that legislation will not be repealed, and there is nothing to indicate that it is going to be repealed. I would suggest that there are obvious benefits which can come from that legislation which probably could not be taken advantage of by some farmers

under the legislation which is proposed. I would hope that we may have both measures on the statute books after this legislation is passed, and that from the two acts farmers may be able to get more cash than they have been able to get up to this time.

If the legislation is such as to provide that that will be the case, then I can assure the government the measure will be given most earnest consideration. We are hoping that it will do all that the government hopes to have it do. If it does, it can only be helpful to the farmers.

Having said that, I just want to conclude by saying we are hopeful, as the minister is, that the resolution will not be held up unreasonably long and that we may get along to the position where the bill can be distributed. After that is done I hope I will not find it necessary to say too much with regard to it in the remaining part of the session. But I can assure hon. members if I think there is any necessity for saying much about it, I will proceed to say it. At the moment, we will support the resolution.

Mr. Argue: Mr. Chairman, as we in this group understood the statement of the Minister of Trade and Commerce, namely that the legislation would provide for cash advances through the elevator system and that the interest charges would be borne by the treasury, we naturally will support the bill if it includes those features. I was most interested as I am sure all members of the house were, in the statement made by the hon. member for Melville. He built up a case for himself, and he may not have convinced anyone else but apparently he convinced himself that if we had been so unfortunate in this country as to have as the minister of trade and commerce the former member for Port Arthur Rt. Hon. C. D. Howe there would have been placed before this house at this time legislation along the lines of the legislation now before us. This is a statement with which we cannot agree at all. It would seem to me that if the minister had converted himself to the idea that we should have a system of interest-free cash advances, I could only conclude that, on this subject at any rate, he has learned more since June 10 than in all the years before that. However, I am not too sure he has been converted, because after he made that statement he said that before he could assure the minister and the house they were going to vote for the bill they were going to have to take a careful look at it. We can say, on the basis of the statement made by the minister, that so long as the bill contains those provisions we are going to support it.

We are going to support this legislation because we have had a part, and I believe a very considerable part, along with farm organizations and members of parliament in other parties in this house, over the years in promoting the idea, in publicizing it and getting support for it. The idea was that when a farmer harvests his grain in the fall, when he can send it only to a government agency, which is his preference, and there is no opportunity because of congestion and the absence of markets to deliver his grain, then a responsibility falls upon the government which operates the marketing agency to provide a system for making payments to the producers.

We feel that because we have helped to pioneer this legislation—I remind the house that an amendement was moved by this group asking for cash advances as far back as 1951—we are to some extent responsible for this legislation now being placed before the House of Commons. I think we can take particular satisfaction from these two features because in the debate on this question in this house one year ago we were the first and only group for a matter of days to say that we were so much opposed to the idea of farmers being forced to pay interest on really what was their own money that we were prepared to oppose the bank loan legislation. Gradually, after some days of debate, other members from other parties came to that point of view. I believe that as a result of that work in this house we are now faced with the likelihood that farmers are going to have this advance in worth-while legislation.

We recognize, of course, that the legislation before us is not a solution to the agricultural problem that faces this country. While it is absolutely necessary, and must be a part of an orderly system of grain marketing to have in legislative form a system of interest-free cash advances, basically this is not much more than a measure to assist in times of very bad conditions. We are hopeful that the government will take the other basic and necessary steps that will result in an improvement to the whole of the agricultural economy.

The best interpretation I am able to place on the remarks of the hon. member for Melville is that he is waiting for the farm organizations. While he has assured nobody he will go as far as the farm organizations go, he will never go any farther than the farm organizations go. I am one who is prepared to do my own thinking. Although I am a member of, and a supporter of all the large farm organizations in western Canada, I believe that so far as the interest rate is concerned until recent days this

legislation has been in advance of the general conclusions of the farm organizations. I, for one, do not intend to be merely a spokesman in this house for a given farm organization. I am prepared to do my own thinking, and our group will advance legislation which we feel meets the situation.

So in this instance some leadership has been given. However, I thought the hon. member for Melville might have had some objections to this legislation because I can recall so vividly when he sat on the other side of the house with his colleagues that they rose time after time and said, "If you have any arrangement like this through the Canadian wheat board, it means the end of the Canadian wheat board; it cannot be done; it is a terrible thing." We even heard it said that if the government at the time had suggested this type of legislation all of the wheat board members would tender their resignations. It was just as much poppycock at that time as it would be to say it now. There is nothing to it.

Mr. Gardiner: This is not what you are talking about today.

Mr. Argue: We said that it should be through the elevator system; the government said no. They wanted to do it through their friends, the chartered banks. There was no risk for the banks; there was a government guarantee. The farmers did not want it through the banks but that is the best the former administration could provide. There has been an almost complete collapse of many of the export markets that we formerly occupied. The former administration had no suggestions; they had no ideas.

It used to be that the Liberal party had some ideas. They used to be a party of promises and they went out in one election after another and made great promises. But in the past election they made no promises. They did not have an idea. They did not have a clue. When the Leader of the Opposition came to speak in the city of Regina in the recent election, what did he offer the farmers in what perhaps is considered to be the wheat capital of Canada in order to help them in this situation? He offered nothing. He did not have a single concrete offer.

However, he went over all of the moneys that the farmers had ever obtained through any legislation that the government had ever had anything to do with,—when it had given a guarantee to the banks and the farm loans,—he added it up and, if I remember correctly, came to the astronomic figure of $750 million that he said was the extent to which the government of the day was helping agriculture of this country. The farmers reached up and scratched their heads and said, "Well, we still owe most of it. We are going to have to pay it." When he forces us to go to the banks now and to borrow the money and to pay interest on our credit, he comes out and tells us that it is part of the government's assistance program for farmers.

Hence the producers naturally took a great deal of objection to the attitude of that administration. That fact, of course, accounts in large measure for the fact that this once great, virile Liberal party is now the smallest of the parties in the four western provinces. With the record of the Liberal party in the past and the ineptitude of the members of the official opposition at this time it will not be at all surprising that, when the Manitoba election is over, the Liberal party, as far as western Canada is concerned, will be almost as extinct as the historic prairie buffalo. We do not expect much difficulty in doing what other members of this party have already said we shall do, namely being the real opposition and the effective alternative to the policies and the programs that may be advanced.

But after having said some complimentary things about this legislation, after having said that we are proud we have had a hand in bringing it forward, I want to impress upon the government that we are today in a period of great congestion as far as grain marketing is concerned. Right now we are probably in a period of lower quotas than we have seen for many years at this stage. In spite of the words of the Minister of Trade and Commerce, our markets for the current crop year do not compare favourably with our exports and markets in the previous year.

As far as the basic condition of agriculture today is concerned, the ability to get enough income to cover expenses and to provide the farmer with a living, there is no doubt about it that agriculture is worse off today than it was on that memorable occasion of June 10. The price-cost squeeze has continued. The basic conditions that over the last years have made it difficult for the farmers still exist, as far as I can see. We are seeing more and more inflation and a greater and greater rise in prices as the days go by, but we are not seeing any strengthening generally of agricultural prices. We are seeing instead a gradual but rather consistent deterioration of agricultural prices.

I know there are members in this house who think that the people from western Canada and from agricultural constituencies are just cry-babies and that we overestimate the difficulties which the agricultural industry faces. However, I want to remind hon. members of this fact. Since 1947 this industry

has experienced an increase in costs of 46 per cent, as far as western Canada is concerned, and a drop in agricultural prices of 8 per cent. What other industry in a 10-year period could survive an increase in costs of 46 per cent while they receive a reduction of 8 per cent in the price of products they had to sell? For the wheat producer the position is even worse because in the same period of time the price of wheat dropped even more. As far as the farmer is concerned, it dropped for average grade by 34 cents a bushel, from $1.63 to $1.29 per bushel.

What should be done to correct this difficulty that is facing agriculture? The present measure is welcome; it is necessary. But the thing which must be done now is to improve the prices of agricultural products. We are looking forward to the new legislation which we expect will be before the house before many days are past.

Let me suggest that the government at this time should consider establishing something for which the farm organizations have been campaigning for many years. I refer to the establishment of a domestic parity price for wheat. I suggest that the price should be not less than $2.25 a bushel. Lest people who are consumers of grain and consumers of bread and who are not in the production of grain think that such an increase would result in an astronomic rise in the price of bread, let me suggest that the increased cost would not amount to more than one cent per loaf. As I have read the resolutions of the Canadian Labour Congress; they have gone hand in hand with the farm organizations in this country in asking for a system of parity prices and a system of support prices that will give to the agricultural producer a reasonable standard of living.

I would suggest also that the government might consider the suggestion of farm organizations that a system of deficiency payments should be established. What the farm organizations mean by deficiency payments is a straight payment out of the national treasury to the people who produce these products. They say that if conditions are such that their prices are allowed to collapse until their industry is threatened, there should be a subsidy—call it deficiency payment or call it what you like—from the treasury to an extent necessary to keep this industry in existence. Of course, that is not a proposition that was put only to this government, it was put to the previous administration.

As to something that might be done immediately, I would suggest to the minister that he consider the immediate payment of an interim sum of money. On the wheat market, on the 1956 to 1957 crops, farm organizations asked that this deficiency payment be amended to an interim payment of not less than 20 cents a bushel. Now the time for interim payments is getting late. We used to get the interim payments during the crop year through which we were passing and now the crop year has gone by. Year after year the interim and final payments are becoming later and later.

The Minister of Trade and Commerce may say to me that there really is not enough money in the fund, that the former administration juggled the accounts and did some slick bookkeeping in order to get a small final payment through just before the election came. Even if that is true, even if the former administration, in order to get the farmers' vote, did make a payment just before election, I suggest to the minister that nevertheless the request of the farm organizations for 20 cents per bushel, based on the present costs of production and on the present prices for agricultural products, is one that the government should consider.

I have mentioned the tremendous increase in the cost of production, and I have mentioned also the congestion in the country. I have here the latest figures from the Canadian wheat board statistical summary showing that in country elevators on October 9 there were some 37 million bushels more than in the previous year. Lakehead stocks were up, Pacific stocks were up and there was general congestion. Now the general situation is just a little worse than it was a year ago.

I also have the figures of existing quotas in western Canada. The Minister of Trade and Commerce mentioned the unit quota which is in effect at the present time. The unit quota is a quota for only 300 bushels of wheat. Even if the wheat is of good grade it amounts to a sum of just $350. For the vast majority of wheat producers on the prairie and for the vast majority of the people who hold the 231,000 permit books of which the minister spoke, that is the sum of money they have received since August 1. Three hundred and fifty dollars to pay their taxes, to pay their fuel bill, to pay their repair accounts, to pay their store accounts. That situation is demonstrated by the fact that out of just over 2,000 delivery points on October 17 there were 1,547 still on the unit quota and just 497 had advanced to the one bushel quota first specified; a very serious and a very difficult situation. Their income in the past has not been great because our exports last year were at a low point. The minister said that in August we were just a little above the American exports. Let us hope that our

relative position will improve because last year, while we exported 262.8 million bushels of wheat the United States in the same period exported 541.6 million bushels of wheat, more than twice as much as we exported from this country.

That is the general situation—a price-cost squeeze, tremendous congestion and a substantial falling off in markets. This government has suggested two positive things; one is this legislation and the other is a resolution which foreshadows legislation to support it. However, this government has made other statements and has informed us of other attitudes in the last few weeks which I suggest are rather disturbing and which paint the picture of the real situation and the basic attitude of the government.

One of the clauses and one of the provisions in this legislation is that the advance will be made on a six bushel quota. A six bushel quota is a small quota; a six bushel quota is very little more than the farmers marketed last year, so what the minister is saying in this legislation is that this government, with its visits to Washington and with every other thing it might be trying to do to improve our exports, so far as making a cash advance is concerned and as far as this legislation is concerned—and that is the proof of their thinking—are not certain that they are going to be able to export any more than in previous years. Well that is very disturbing. The farm organizations have asked for an advance on at least an eight bushel quota. That has been their general attitude in years gone by. We in this group would like to see an advance made on all of the grain held by these family farms but that is the best the government is doing in this legislation.

We had an intimation yesterday from the Minister of Finance that the government has done no new thinking as to how it might increase exports. When somebody asked the minister whether the government had considered taking sterling he said "nobody has asked us and therefore we have not made any such suggestion." Well that is one of the suggested new policies which have been advanced from time to time and one of the things that I believe could be of real benefit to this country.

Many ministers in this government in the last few weeks have made statements which led a lot of us to hope there would be a great expansion in the Colombo plan, there would be much more money placed at the disposal of the plan and that a great part of this large increase would be used for the purchase of food. We had an announcement the other day that there was going to be an increase and it would be from $34,400,000 to $35 million, scarcely an increase at all. I wondered if the government had not learned anything from the increase given by the former administration to the old age pensioners, that a small and inadequate increase does not gain either sympathy or support for the administration. That is another opportunity this government has lost.

I believe it was yesterday that I asked the Minister of Agriculture whether or not his government was prepared to reverse the attitude of the former administration towards an international food bank with the idea of an international commodity clearing house. He said the government has no different policy or has not made up its mind in that regard—

Mr. Harkness: Mr. Chairman, I do not think the hon. member wishes to be unfair. I stated to him that I was not prepared to make a statement on this subject at that time.

Mr. Argue: I had hoped, Mr. Chairman, that since June 21, in view of the many statements made by the present Minister of Agriculture and the Prime Minister, the member for Brandon and other representatives of his party when they were on this side of the house as to the desirability of an international food bank, they would have decided some weeks ago, to reverse at the United Nations the opinion of the former administration.

Mr. Gardiner: Mr. Speaker, on a question of privilege may I call to the attention of the hon. member the report made by the Minister of Agriculture. It says that "the commission in which Canada was represented recommended against the formation of such a body." That does not say the delegation from Canada made that representation; it was the commission of which we were a member. We did not have a majority of the votes in that commission.

Mr. Argue: Oh, I know all about the record of this government so far as the international food bank is concerned and, so far as the previous government is concerned, at no time did the former administration come out by voice and by vote in favour of an international pool.

Mr. Gardiner: That is absolutely wrong. I did so at Copenhagen.

Mr. Argue: But it would be very nice to have in this debate the statement of the former minister of agriculture at Copenhagen. I have not seen the statement but I would imagine it is something like the statement made here by the hon. member this afternoon. He was on both sides of the question, and if any one ever attempted to corner him he would have a way out. It is a fact that under

the last administration there never was an official statement made by a minister of the government supporting an international food bank.

Mr. Gardiner: There was, right up to the time it was turned down by the commission.

Mr. Argue: Not at all. I have been over the record, and so has the hon. member for Acadia, and I do not think we need accept the interpretation put out at this late date by the hon. member for Melville on that well-known mistake he made over a period of so many years.

I could go on to refer to other suggestions, or statements made by the government. The one that causes me most concern is this, because it seems to me to be the conclusion of all these other attitudes as far as the 6-bushel quota is concerned, as far as sterling is concerned, as far as the Colombo plan is concerned, as far as the international food bank is concerned. I refer to the statement made by the Minister of Trade and Commerce to the national dairy council of Canada at Winnipeg on September 9, 1957. It reads as follows:

> The long-range view with regard to our wheat entails a forward-looking policy with regard to general production, and it may well be that progressively over the years our acreage devoted solely to the growing of wheat should be appreciably reduced—

There it is. The forward-looking policy means that wheat acreage should be reduced.

> —and greater emphasis should be placed on diversified crops and on the livestock industry.

I am not going to read the rest of that 40-minute speech.

Mr. Churchill: The hon. member is not being fair about it. I mentioned an acreage of 20 million and a 400 million bushel average production, which I think the hon. member should, in all fairness, state, because it is not much below the acreage at the present time.

Mr. Argue: No, as a matter of fact it is not below; it is above, and that is what confused me. The minister says we are going to have 20 million acres but he wanted it reduced below 19 million acres. But I will send the speech over to the minister and he can correct it if he wishes.

Mr. Churchill: I want the hon. member to correct his now. There is a 21-22 million acreage now. My figure was to bring it down to 20 million.

Mr. Argue: All right. I will ask the minister this: what will he put the acreage into when he reduces it?

Mr. Churchill: What has been done in the past.

[Mr. Argue.]

Mr. Argue: Very well, what has been done in the past. You put it into oats; you put it into barley. That is what has been done since 1954, the reduction of four million acres has gone into oats and barley.

The Chairman: I am sorry to interrupt, but I must advise the hon. member that his time is expired.

Mr. Quelch: Mr. Chairman, there has been large scale dissatisfaction in western Canada over the guaranteed loans to farmers by the chartered banks, provided for by legislation. The farmers did not want an opportunity to plunge further into debt. They did not want to have to borrow; they wanted to be able to sell, and in the fall of 1955 there were large protest meetings at which farmers asked the government to pass legislation to make advances against grain held on the farms.

I cannot help being somewhat amused by the sidestepping of the former minister of agriculture when he told us that the farm organizations had met and had only passed one resolution—apparently they did not pass one regarding cash advances. But, of course, he just picked out the particular farm organization he wanted to pick out. Let me remind him that the interprovincial farm union council asked about cash advances some two years ago. They presented a brief in this house on February 16, 1956, and I will read the resolution.

Mr. Gardiner: On a question of privilege, Mr. Chairman. The hon. member is putting words into my mouth. I read out of *Hansard* what he is going to answer, and the record is there, and I referred to the page for any one to read it.

Mr. Quelch: Yes. The hon. member kept referring to the fact that certain farm organizations had met and had not asked for advances. But on February 16 the interprovincial farm union council brief contained this passage:

> The interprovincial farm union council is continuing to press for adoption of its original proposal, which has been endorsed at the three wheat pool delegate meetings, that the government arrange for interest-free cash advances by the Canadian wheat board on farm-stored grain to the value of 50 per cent of the initial payment on an estimated delivery of eight bushels per cultivated acre.

I want to congratulate the present government for having introduced the present resolution. Apparently it only provides for advances on a quota of 6 bushels to the acre. I am sure the minister will agree that it is going to be very hard for farmers to finance on the basis of even an 8-bushel quota to the acre, and if he cuts the advance

down to an amount on 6 bushels to the acre it is going to make it that much harder. I hope therefore he will give consideration to raising it from six to eight. I am not suggesting we should go as far as the hon. member for Assiniboia has suggested when he said advances should be made against all the grain on the farm. I have not heard any farm organization meetings—and I have attended a very large number of meetings in the constituencies—which have once suggested that.

Mr. Argue: May I remind the hon. member, for whom we all have great respect, that I was speaking of a family farm. I was not suggesting that it should apply in the case of huge farms; there should be some acreage limitation.

Mr. Quelch: Even so, there is a good reason, I think, why that suggestion would not be sound, and this is the reason; it is one that was brought to my attention by farmers at meeting after meeting. They said: we should like an advance on all the grain on our farms but we realize that if the government were to make advances against all the grain there would have to be very close inspection, and the cost would be prohibitive, so it would be better to leave a wide margin so that advances can be made without inspection at very little cost. To try to make the advance against the total amount of grain held on the farm would, I think, wreck the whole proposal.

Mr. Chairman, some people ask why should we make advances against grain and not against other farm commodities? Of course, the reason is obvious. Grain and wheat are in a congested state; farmers cannot sell their crops and, therefore, they need advances. In addition to that, the price of wheat is lower than the price of practically any other farm commodity. The price today is less than 70 per cent of parity on the basis used by the Agricultural Prices Support Act, 1943-45. On the basis of that, the parity price would be around $2.37 a bushel.

I want to make it absolutely clear that I am not in any way criticizing the Canadian wheat board for their handling of wheat. I think they have done an exceptionally good job, and they have done it under very severe handicaps.

I say they have operated under extremely severe handicaps because they have had to face unfair competition in the world markets. They have had to pay the farmers on the basis of world prices while practically every other country has subsidized the price of wheat. For that reason I think the request of the interprovincial farm union for a deficiency payment of 20 cents a bushel on the 1956-57 crop is a fair one. Even then it would leave the price of wheat considerably below that of the parity price. But even worse than that situation is the fact that the wheat board has been forced to sell through the normal channels of trade whilst their main competitor, the United States, has been selling wheat and accepting payment in foreign currencies and by barter. As a consequence of that we have lost a number of our markets.

Not satisfied with placing the wheat board under the two handicaps I have mentioned the government in the past added another handicap by making the wheat board demand payment in an appreciated currency, a currency at a premium of four cents which meant that the farmers lost approximately seven cents a bushel as a result of that appreciated currency on the basis of par. Let us compare that with what happened in 1950 when the Canadian dollar was held at a value of 90 cents as compared with the United States dollar. Compared with that situation the farmers today are losing 27 cents a bushel as a result of the appreciated value of the dollar.

I am suggesting that if the government considers it sound from a national point of view to maintain the dollar at an appreciated level, if the general economy as a whole benefits by so doing, then the farmers would be absolutely justified in asking that they be compensated to the amount of seven cents a bushel to make up their loss as a result of the government's financial policy.

The former minister of trade and commerce blamed the unsatisfactory condition of agriculture upon a succession of good crops which of course created surpluses and forced the price of wheat down. We insist that the former government must accept the full responsibility for that bad situation as it depended upon orthodox channels of trade to sell its commodities and as a consequence we lost markets.

Whilst the former government followed this policy of laissez faire our main competitors opened up new channels of trade and step by step succeeded in diverting sales of wheat from Canada to the United States, and as a consequence our sales have fallen off and our surpluses have accumulated. The former minister of trade and commerce was asked on a number of occasions whether he thought the farmers should reduce their production of grain. It was suggested to the government that the success of its policy depended largely upon crop failures. I recall

that the former minister of trade and commerce said in this house he hoped that in western Canada we would harvest a bumper crop which would have further added to the government's difficulties in disposing of our wheat.

Then he said the government considered it wise to maintain a substantial reserve of wheat on hand so that in the event of a succession of crop failures it would have a reserve of wheat to meet our domestic needs and the needs of other nations. I think the minister was justified in that attitude at that time because it had been pointed out to us time and time again by the Food and Agriculture Organization that 50 per cent of the population of the world was still unfed and hungry and therefore if there had been a succession of crop failures we might very well have had world wide famine.

If the government considers it to be in the national interest to maintain a substantial reserve of wheat on hand then undoubtedly it should be a national responsibility to provide storage to handle that reserve so that it may be held without its interfering with the normal handling of the current crop, it should be a national responsibility to pay the carrying charges on that reserve and it should also be a national responsibility to make advances against grain held on a farm when due to the fact that the reserve is plugging the channels through which the grain moves the farmers are unable to deliver their grain.

I believe that the situation could have been eased last year and could be eased even now to some extent by the government reconsidering what is apparently its decision not to license off-site storage. I was not satisfied with the reply given by the Minister of Trade and Commerce yesterday and I am not blaming him because after all the government has been in office only a short time and has inherited a lot of policies of the former government which up to the present time they have not had a chance to modify.

Let us examine the reasons given for refusing to license off-site storage. It was argued that the grain in off-site storage might deteriorate. I read a report issued by the Alberta wheat pool last year which said that the amount of deterioration in off-site storage was infinitesimal, that the grain in off-site storage was being carried just as efficiently and well as grain in the elevators.

It was also argued by the government that grain in off-site storage would not be as accessible as grain in elevators. I would say that grain in off-site storage would be just about as accessible as grain held in annexes that have no auger because grain held in annexes of this kind has to be loaded up into a truck and moved into the elevator. When you consider that as a rule off-site storage is only a few yards from the elevator it cannot seriously be argued that grain held in off-site storage is not accessible.

I am sorry the government has decided not to license off-site storage because by such an action it is destroying the initiative of the farmers and local business people. I think there is a great deal of credit due the farmers and local businessmen when they have provided buildings in which grain can be stored. The building is then leased to an elevator company and more grain can be delivered.

There is no reason why the wheat board should be too concerned about whether or not grain held in off-site storage will deteriorate because if there is any loss involved it is the local elevator company rather than the wheat board which must sustain the loss because it has to deliver the same type of wheat as that which it accepts into storage. I am sure no local elevator company is going to agree to rent a building which it does not consider satisfactory for the storage of grain.

I am afraid there is another reason why the government refuses to license off-site storage. I think the obvious reason is because it has agreed to paying the carrying charges on the wheat and just the minute it accepts grain into off-site storage it has to pay the storage charges on it to the extent that the total storage is in excess of 187 million bushels. I believe that is the real reason the government refuses to license off-site storage because it does not want to increase its payments for storage.

The Minister of Trade and Commerce has suggested that perhaps there should be a reduction in wheat acreage. I listened very carefully to what he said just now. I am of the impression that the Minister of Agriculture has also made a somewhat similar statement to the effect that it might be wise to divert certain acreage from the producion of wheat to the production of livestock.

But I think one has got to be extremely careful how one attempts to do that because the result could very easily be a surplus of livestock and a surplus of livestock will be far more difficult to handle than a surplus of grain. We have had that experience in the past with hogs. We know what happens when we have a surplus of hogs. You cannot hold them. They have got to move when they are at a certain weight and the result

is that you completely wreck the market. Therefore we have got to be very careful in that regard unless we are prepared to adopt some such proposal as the soil bank in the United States. Personally I am not advocating that because I do not believe there is any necessity of reducing acreage. In the light of the world situation today, with 50 per cent of the population of the world undernourished, our problem is to find ways and means of getting the wheat to the people who are hungry.

I think the United States today is giving a wonderful example of how surplus food can be got to hungry people. Instead of worrying about reducing acreage, let the government explore every means of getting our surplus wheat to nations who are unable to obtain it through the normal channels of trade. Let the government make that wheat available to them for their own currency or by barter or, in the case of absolute distress, by gift. It would be far better to make that wheat available by gift than to reduce the acreage. If letting these people have our wheat meant that somebody in this country had to go without I would not make the suggestion, but there is no suggestion that anyone would be penalized as the result of making such gifts.

The first thing is to accept foreign currency, especially sterling, and use that sterling for the purchase of commodities in the sterling area which we are purchasing at the present time from the United States. I am encouraged to hope that the government may give consideration to that proposal because I recall that on December 3, 1953, the present Prime Minister voted in support of the acceptance of sterling. Therefore I am hoping that the Conservative government may even yet consider the desirability of such action.

We in this group have argued ever since 1952 that farm produce should be sold in this country under a two-price system, that is that farm commodities sold in the domestic market should be sold at a parity price and our exports at the best price obtainable. By "parity price" we merely mean a price that bears a fair relationship to the price of other commodities. We believe that should be the policy in regard to wheat and wheat that is to be exported should be sold preferably through the international wheat agreement or at least supported at a price that bears a fair relationship to cost. Then to the extent that the total price received by the farmers for agricultural produce gives them an income less than their fair share, deficiency payments might very well be made.

There is a good reason why grain growers have the right to expect better consideration than they have received in the past. Let us not forget that shortly after the war the government of that day signed the British wheat agreement and they said that was to be regarded as a form of stabilization. Let us not forget that as the result of the British wheat agreement the farmers of this country lost $431 million representing the difference between what they would have received on the world market and the price they received under the British wheat agreement. But not only that, they sold wheat in the domestic market for the same price which meant a loss to the farmers of another $136.9 million. All in all, as the result of the government wheat policy in those days, the farmers during that period lost a total of $568 million.

I know that many people are under the delusion that the grain producers of this country have been subsidized. The grain producers have never been subsidized. They sold at world market prices. The only government in the world that forced farmers to accept less than the world market price was the Liberal government of the past. In view of the fact that the farmers of this country subsidized Canadian consumers for a number of years to the extent of $136 million they have a right to look upon that $136 million as a premium that they paid on a form of insurance that guaranteed that they would get fair prices in the future. Therefore the farmers have every right today to expect the government to stabilize the price of grain at a fair level along with other farm commodities.

I am glad to see the government bringing down this legislation. I am glad to hear that the government is going to bring down additional legislation regarding support prices. I do not expect the government to redress all the evils of the former government. The former government showed a total lack of appreciation of the welfare of the farmers and I am hoping that in the next few months this government will be able to undo a lot of the evil that the former government did.

Mr. Tucker: Mr. Chairman, I think that at the present time the people of Canada are more concerned about what they are going to get in the way of legislation from the present government than they are about trying to find fault with what has happened during the last several years. The people of Canada were asked to pass a verdict on June 10 and they voted for more members representing the party of the then opposition than they did for those representing the former government, indicating that they believed the promises made by the present Prime Minister and thought they were worthy of support. Therefore I suggest that what the people of Canada

are interested in now is to what extent the Prime Minister and the government are prepared to go to carry out the promises held out to the people by the Prime Minister and on the basis of which he holds his present office. In my opinion the government will be judged by the extent to which they justify the hopes that they raised when they were asking for support at that time.

My purpose this afternoon is to indicate what I think the people of western Canada were led to expect from the statements of the present Prime Minister in regard to this very matter and to indicate that I hope the bill goes some substantial way toward meeting those hopes and promises. I think that is what we have a right to expect when the government acts in a matter about which it has taken a very definite stand in the past. In that regard I wish to refer to what the present Prime Minister said on March 14, 1957 as recorded on page 2188 of *Hansard*. There the present Prime Minister spoke in these words:

> Mr. Chairman, the amendments that are provided for in the resolution now before this committee were set forth yesterday by the Minister of Trade and Commerce in these words as reported at page 2161 of *Hansard*:
>
> ". . . that the maximum amount of loan to an individual producer be raised from $1,500 to $3,000; second, that the rate of interest, which is 5 per cent at present, be left to the determination of the governor in council; and loans be extended by one month by moving the opening date forward from October 1 to September 1."

The Prime Minister went on to say:

> That in general represents the changes that are to be made when the bill is brought before the house. I believe that what is being done here represents a complete disregard of the wishes and requirements of all western farm organizations and of farmers throughout westen Canada.

As found at page 2189 of *Hansard* the present Prime Minister went on to say:

> Those in general summarize the arguments that we in this party have advanced through the hon. member for Calgary North and the hon. member for Brandon-Souris. They represent the stand we have taken since 1952. We believe that the only salvation for the western farmer, with his markets lost and his wheat therefore unmarketable, is that there should be cash advances. Second, we believe that every encouragement should be given to the farmer to provide his own storage, and that in the provision of such storage additional write-offs should be permitted when determining the amount of his income tax.
>
> We believe that under proper circumstances there should be provision for cash advances on farm-stored grain similar to the system in effect in the United States.

There was a definite pronouncement in the house by the present Prime Minister on behalf of his party. I am waiting with great anticipation to see if this bill puts in force any system of cash advances on farm-stored grain similar to the system in effect in the United States. It seems to me that the suggestion of the Minister of Trade and Commerce this afternoon of permitting a maximum advance up to $3,000 is not in accordance with the hopes held out to the farmers at the time the present government was appealing for support.

Just look at what it amounts to, Mr. Chairman. Certainly, the average farm would not be bigger than three quarter sections. Supposing the specified acreage on such a farm were 400 acres. The amount of help which a farmer could get under this proposal would be $1,200. He then has to repay half of the amount he gets from any grain subsequently delivered. He would only be able to deliver these six bushels per specified acre over a period of a year, and assuming he takes a full year to deliver it he probably has, on an average, $600 for perhaps nine months. But, supposing one figures he has $900 for the whole year? What does this proposal mean? The only thing he gets out of it is firstly that it will be easier to get the money from the elevators than from the banks. And, as I understand the proposal, secondly to cancel the interest on that small amount. Today the farmer is in a much worse position than he was on June 10, and certainly far worse than he was a year ago, yet the measure of relief held out by the present government is the cancellation of interest which will not amount to more than $40 or $45, on an average.

So there may be no mistake as to what the people of western Canada really expected of the present government, let me read some more of what the present Prime Minister said, as reported at page 2188 of *Hansard* for March 14, 1957:

> For several years we in this party have been supporting the need for cash advances. In 1952, as reported in *Hansard* for December 17 of that year, Hon. George Drew, then leader of the opposition, supported an amendment which had been moved recommending legislation providing for the payment to producers in respect of farm-stored grain of an advance equal to 75 per cent of the initial price established August 1 in each crop year.

I believe the initial price then was $1.20, it might have been $1.40, and this proposal would result in the payment of around 90 cents a bushel. I continue quoting:

> Our only change over the passing years has been that while 75 per cent was the amount asked for at that time, the demand since has been generally that 50 per cent should be advanced. That demand has been universal, and in the face of that demand the bringing in of a loan system again is a denial of the wishes of farmers everywhere.

Now, what do we have proposed today? The proposal was scaled down to 50 per cent of the initial advance. Supposing you take the initial advance at $1.40, less the charges to Fort William which would get it down to

$1.20; 50 per cent of that is 60 cents a bushel, not 50 cents as proposed. But it goes farther than that. There was no idea, as I understand it, of restricting the basis of advance to six bushels per specified acre. What I think many people in western Canada had in mind as proposed was what the present Prime Minister had said himself, a system of cash advances like that in force in the United States. There was no rigid low limit there such as the limit of $3,000 proposed here. Under the proposed set-up the farmer is to get no more than $3,000 and that is to be repaid out of his deliveries so that at the end of the year actually he will be no better off than under the present system by means of which he could also get $3,000. It was to be repaid in the same way from deliveries of grain.

The Prime Minister referred to what Mr. Drew had said on the matter, and said the only change was a reduction from 75 per cent to 50 per cent. Here is what Mr. Drew said, as referred to by the Prime Minister, and as found at page 858 of *Hansard* for December 17, 1952. The amendment to the amendment to which Mr. Drew was speaking was:

> To recommend legislation providing for the payment to producers, in respect to farm-stored grain, of an advance equal to 75 per cent of the initial price as established at August 1 in each crop year.

In dealing with this subamendment the former leader of the opposition, Mr. Drew, said:

> In effect this subamendment does two things. It is a proposal that legislation be introduced to provide for a cash advance to producers in respect of their farm-stored grain equal to 75 per cent of the initial payment the producer would have received if he had been able to deliver that grain to an agency of the wheat board.

There is no suggestion there that it should be only on six bushels per specified acre. It speaks about "that grain" and "the grain on hand". Then, Mr. Drew referred to his own remarks in the early stages of the same debate, and he quotes his own remarks. I again call your attention to the fact, Mr. Chairman, that the present Prime Minister referred to this statement and said that the only change that would be made by them was to reduce the payment from 75 per cent to 50 per cent. Here is what Mr. Drew said:

> The whole system of handling and distribution has broken down. The government, no matter what its explanation may be, has failed to take effective steps to provide for the handling of grain, in spite of the knowledge many months ago, and the warnings many months ago, that this situation was going to arise. In western Canada today there are many farmers, with huge quantities of wheat and other grains worth considerable sums of money, who are unable to get money at this time to cover their harvesting and living expenses because of their inability to deliver that grain to market.
>
> This is a situation with which the government should deal immediately. It is urgent and calls for attention without delay.

I call your attention, Mr. Chairman, to the idea held out to the farmers at that time. It was that many farmers who had huge quantities of wheat on hand should be able to turn that wheat into cash, and this was something that should be dealt with without delay. There appeared to be no idea of restricting it to six bushels, no idea of restricting it to $3,000. When the suggestion was made by the former administration to help the individual farmer to the extent of a loan of $3,000, the present Prime Minister felt very dissatisfied. He said this at page 2188 of *Hansard* for March 14, 1957:

> I summarize our attitude towards this resolution and the bill to be founded thereon—

The bill being referred to was to give help up to $3,000. I admit the help was to be given through the banks and the farmers preferred to deal through the elevator companies, but what does this present proposal do? Does it give more than $3,000? Does it provide that they can have money until they deliver their wheat? They have to pay the debt off within a year if they can deliver up to six bushels an acre. The only thing accomplished by this proposal is merely a rebate of interest. Here is what the present Prime Minister had to say about the earlier proposal:

> I summarize our attitude toward this resolution and the bill to be founded thereon as follows. What is being given to the farmer is a stone when he is asking for bread, and what is being provided under this resolution is something unwanted by the farmer, something totally ineffective to meet his needs, and something which in effect will be inoperative, as was the legislation to a large extent during the past year.

I cite that passage to the present Prime Minister—they are his own words—in regard to this former bill. He said, "It is totally inadequate". Is $3,000 today more adequate than it was a year ago? I wonder. This was said to be a stone a year ago or less. It was said to be a stone on March 14. According to the words of the present leader of the government, "What is being provided is something unwanted by the farmer". I submit that the farmer wanted help then; he wants help now. But after all the speeches that were made to him on the floor of this house by the former leader of the Progressive Conservative party, endorsed by the present Prime Minister, he expected more help than this proposal of an advance which he must pay back within a year, limited to $3,000 and also limited to the extent of 50 cents a bushel on wheat and to the extent of 6 bushels an acre on his specified acreage.

Mr. Churchill: Are you going to vote against this bill?

Mr. Tucker: I am saying that anything that is given by this present government that will help the farmers is something that I will vote for.

Mr. Churchill: You have another ten minutes.

Mr. Tucker: What I am saying is this,—

Mr. Harkness: You have changed your mind about these cash advances. You were against them a year ago.

Mr. Tucker: I never said I was against cash advances.

Mr. Harkness: You have changed your mind.

Mr. Tucker: The Minister of Agriculture is saying something that is not correct.

Mr. Harkness: Oh, no.

Mr. Tucker: I said a year ago, as stated by the hon. member for Melville, that the farm organizations in a conference had asked for advances through the bank and I said that it had been the policy of the Liberal government for many years, in handling wheat through the wheat board, to listen very much to the wishes of the farm organizations. I said that when they had asked for this method then I thought the government was justified in giving this method to the farmers.

Mr. Harkness: Did that fellow shoot you on television because you were in favour of cash advances?

Mr. Tucker: I will say to the Minister of Agriculture that he is not going to get away with doing nothing by talking about what the previous government did or did not do. They are going to have to answer as to whether or not they carried out their promises.

Mr. Harkness: We are doing it as fast as we can.

Mr. Studer: With a stone.

Mr. Tucker: Is this really such a great advance? If this is as fast as the present government is going to move to carry out its promises, it is going to take a long time to get very much done.

An hon. Member: Sit down.

Mr. Tucker: Let the Minister of Agriculture say what difference there is, except in the manner of getting it, between getting $3,000 now and getting $3,000 under the proposal six months ago.

[Mr. Tucker.]

Mr. Churchill: If you have not figured that out you should not be here.

Mr. Tucker: What is the difference? At that time, as I recall it, there was not even the rigid limitation there is in this bill. Suppose a man has a half-section, suppose therefore his specified acreage is, we will say, 300 bushels; the most that he can get under this measure is $900.

Mr. Studer: Three hundred acres.

Mr. Tucker: Yes, 300 acres; at six bushels a specified acre, that makes 1,800 bushels. All he will be able to get is $900.

Mr. Diefenbaker: There is a rebate of interest.

Mr. Tucker: The interest? I have already dealt with that matter. It is really all that is being given. The interest on $900 at 5 per cent for say nine months is three-quarters of $45—around—$35. Is this carrying out the promise of the present Prime Minister that we were going to have a system like that existing in the United States, under which farmers are going to get money on the huge quantities of wheat they had in hand?

We are told by the Minister of Agriculture that they are proceeding as fast as they can to carry out their promises. Here is the way they are doing so on one specific question. What have they done? Under the present legislation they have provided less in regard to what small farmers could get. All they are providing differently is that the farmer gets the money from the elevator company instead of from the bank and there is rebate of interest to the extent of perhaps $40.

I want to say that as far as we are concerned,—and I think it is true of all members from western Canada, regardless of party—we think our farmers in western Canada are in a position where they are entitled to receive some real assistance in their present difficulties until their wheat can be disposed of. I really wonder whether the government thinks that this measure is going to satisfy the people of western Canada after all they had to say about the deficiencies and lack of effectiveness of the measure brought forward by the last government.

Mr. Churchill: Does it satisfy you?

Mr. Tucker: As I have already said,—

Mr. Churchill: You have said that you are going to vote for it.

Mr. Tucker: As has been said, half a loaf is better than none. I was led to believe that I could expect a great measure of amelioration of our present situation under the leadership of my good friend the present Prime Minister, the great tribune from the west,

the man who was going to do things that have never been done before for western Canada. He made the speeches that I have read and they cannot be denied. Then we get this measure. Can anyone say that this measure does not fall far short of what we were led to expect in western Canada, even though it does mean giving $35, $40 or $45 as a rebate of interest to our hard-pressed farmers? On their behalf I will eagerly accept what assistance is now offered, but I am not going to tell them that this is the kind of measure we expected from the government, after the high hopes that were held out.

Mr. Cardiff: Vote against it.

Mr. Tucker: I know you would like to see that. Would it not be something? Hon. gentlemen opposite held out hopes of really constructive and effective action. Then they bring in a measure that goes such a short distance and even want me to vote against that. Judging by what they have done now I expect that they are going to do so little that we had better accept as quickly as possible anything they do.

An hon. Member: Why don't you sit down? You do not want us to vote.

Mr. Tucker: I know you would like me to sit down; I can understand that. But after all, I understood that the attitude of the leader of your party was that parliament should be permitted to speak its mind.

Mr. Churchill: You approve of that now.

Mr. Bell (Saint John-Albert): Discuss the principles of the bill.

Mr. Tucker: I am discussing the principle of the bill. It goes such a short distance that I am just pointing it out for the edification of my hon. friends. Let me read again what the Prime Minister held out and express the hope that he will yet reconsider and make this bill into something more in line with the needs of western Canada and more in line with the hopes he held out when those neighbours of both his and mine voted for him. Here is what he said, as reported at page 2189 of *Hansard* of March 14, 1957:

> . . . the only salvation for the western farmer, with his markets lost and his wheat therefore unmarketable, is that there should be cash advances.

Is this such a cash advance measure when you can get up to $3,000 which is taken back from you within a year and can market only up to six bushels per specified acre? Is this the solution which the Prime Minister had in mind?

Is it to be said that after what happened to them in their attempt at Washington to get some reconsideration of the surplus disposal policy of the United States that they the government really expect any great amelioration of the marketing problem? The situation is still there, just the same and worse.

Then the Prime Minister has said there should be cash advances; now this is really a temporary advance, repayable within a year. Is this going to really help our farmers in the way in which they were led to believe they would be helped? The Prime Minister said:

> We believe that every encouragement should be given to the farmer to provide their own storage and that with the provision of such storage, additional writeoffs should be permitted when determining the amount of his income tax.

I hope that the government will carry out that promise.

It was suggested from time to time that that should be done right in the Wheat Board Act so there would be no doubt about it but, in any event, this is something which should be done at this session of parliament and without delay, because the situation in western Canada is very difficult as the Prime Minister very well knows. I would like the government to give consideration to this question and the Minister of Trade and Commerce can answer it if he wishes to do so: does he seriously suggest that this proposal he has just made carries out the promises of the Prime Minister who said: "We believe that under proper circumstances there should be provision for cash advances on farm-stored grain similar to the system in effect in the United States."

Mr. Churchill: Every promise made by the Prime Minister will be carried out.

Mr. Tucker: Well, when? We were assured by the present government that they were going to speedily carry out some of these promises. Is this how fast they are going to proceed? We keep getting stories; we keep hearing suggestions that it is not going to be done this session as it should be in order to show that the government is really endeavouring to carry out its promises. I suggest to the Prime Minister, and he knows the people in western Canada as well as I do—

An hon. Member: He knows them better.

Mr. Tucker: Well if he knows them better he will act at this stage and I suggest to him that if he wishes to hold the goodwill he has at the present time in western Canada by carrying out his promises he is going to have to go a good deal further in carrying them out than has been proposed in this bill.

Grain

Mr. Muir (Lisgar): Mr. Chairman, before I became a member of parliament my constituents used to ask me "Why is it, when we have so many representatives from the west in the Liberal party and on the government side of the house, that the farmers are unable to receive more in the way of assistance?" After listening to the hon. member for Rosthern this afternoon I can assure you I will be able to go back and tell them why.

Now in speaking on this resolution on advance payments on farm-stored grain I would like to take the opportunity of expressing the appreciation of the farmers I represent that this measure should be introduced at this early stage of the session.

I noticed that the last speaker, in telling the Prime Minister that he should be getting on with these things, failed to mention that a lot of this legislation could have been passed had it not been for the amount of verbiage to which we have had to listen from the opposite side of the house.

I would also like to mention at this time that the farmers are pleased that the advances on grain are on all grain and not on wheat alone for that would penalize those farmers who attempted to reduce their wheat acreage. I would point out, as the hon. member for Melville well knows, that this has been the practice of many of the farmers in Manitoba and Saskatchewan during the last couple of years. The result is of course that we have had a considerable volume of coarse grains as well as wheat being stored on the prairie farms.

Now one of the most serious problems facing agriculture and the prairie economy generally has been the lack of cash in the hands of farmers at the completion of harvesting and this has meant unpaid taxes, fuel and other bills, and has created a serious credit situation, not only for the farmer himself but for the merchants and dealers in the small villages and towns who have been providing goods and services on credit to the farmer. The inability of the farmer to dispose of any substantial amount of his production of grains at harvest time has created the situation. This has been steadily worsening especially during the past two years and has now become very critical.

The legislation the government is bringing in is both bold and imaginative; it was refused by the former government but it will do much to prevent any further deterioration in the farmers' cash position. In spite of what the hon. member for Melville said, the former government failed to recognize the seriousness of the farmers' cash position. Their half-hearted efforts to deal with the problem have forced the farmer to further increase his indebtedness by borrowing from the banks and this has only aggravated the situation. This policy of the former government largely contributed to the fact that many farm people decided to quit the business and seek employment elsewhere before their credit condition got into a state from which they would be unable to extricate themselves.

Farm organizations, prairie business men who supply the goods and services to enable the farmer to operate his holdings and the farmers themselves have been waiting patiently for this legislation to be adopted by this house because they accepted the assurances of the Prime Minister that this would be done. They realize that this legislation is only to take care of their critical situation, whether it arises this year as it has, or in future years, and that it is not a solution to their overall problems. Farmers are counting on the farm legislation and the long-term program of national development as indicated in the speech from the throne to bring more stability to this basic industry and eventually make unnecessary this legislation which we are discussing today.

The farmers realize that national development, in co-operation with the provinces, in such things as the South Saskatchewan dam, the Beechwood project in New Brunswick and the Red river valley water development program, now under study by the Manitoba government, would contribute much to the economic well-being, not only of the people of the areas directly concerned but of the whole nation.

Furthermore the fact that the government by bringing in this legislation has shown that it intends to live up to these commitments will reassure the people of this nation that it intends to carry out its long-term policy of national development and through it build a better and more healthy Canada.

Payment of cash advances on farm-stored grain is actually not something new. The wheat board has been paying advances on grain delivered by the farmer to the board since its inception, the final payment being made as the grain is sold. This particular legislation becomes necessary since the board, the sole purchasing agency, is unable to take delivery of the farmers' grain because of the congested commercial storage space. Now, what was the answer of the former government to the same situation? You will remember they brought out their grain loan program wherein they would guarantee to the banks 10 per cent of the loan made to the farmer.

Hon. members may remember that a program was brought out under which farmers were able to borrow $3,000 if they possessed

the required security. Unfortunately this measure never worked out in practice as it was intended because if a farmer had the $3,000 security which was required of him he was able to borrow without the guarantee: if he did not, then he could not borrow in any circumstances. The result was that very few farmers in the west took advantage of that particular legislation.

The hon. member for Rosthern mentioned that when the farmer got through he would not have too much money left anyway. What this legislation does is pay for a portion of the farmer's grain before he delivers it. Naturally he would not expect to be paid for it again when he delivered it to the elevator. The government set up this program under which the wheat board will pay the farmer an advance on his grain; when he delivers the grain the balance of the payment will be made to him after certain deductions have been made in respect of the money already advanced. This will ensure that a certain amount of money is available to him throughout the year.

I think this scheme will enable the farmers to finance their operations more easily, and at the same time it will protect the wheat board in its operations. I think the western farmer is going to be very pleased with this legislation and this government should be commended on bringing it in at this time. It is to be hoped that this legislation will not be held up by lengthy debate.

The seriousness of the credit situation throughout the whole prairie economy places on this house the responsibility of passing this bill at the earliest possible moment in order that the wheat board can get the cash out to the farmers at once.

Mr. Zaplitny: Mr. Chairman, the hon. member for Assiniboia made a comprehensive statement on behalf of our party earlier this afternoon and it is therefore my intention to be as brief as possible in order to accommodate supporters of the government or other hon. members who may wish to comment on this proposed legislation.

However, I feel it is my duty to express a certain amount of satisfaction on behalf of the grain producers I represent, and grain producers generally, now that we have reached, to some extent, the main objective for which hon. members of this group have fought so persistently. I am glad to welcome this legislation as far as it goes. I think we shall have to describe this in the usual manner by saying it is a step in the right direction.

We were, of course, very interested and not a little amused by the statement made by the hon. member for Melville, remembering some of the things he had to say when he was sitting on the other side of the house. While he was speaking my good friend from Selkirk mentioned to me a gentleman in his district who believed in self-imposed punishment and who, whenever he had done anything wrong, used to fill his boots with peas and walk all the way to Winnipeg. It seems to me that that record is beaten today, because we have witnessed the spectacle of the hon. member for Melville walking all the way from Melville with peas in his boots. Apparently he was in good shape when he got here, because I note that he did a perfect verbal Irish jig.

I also wish to commend the hon. member for Rosthern for having apparently changed his mind substantially on this question. I cannot help but recall that last year, the year before, and in the years before that, whenever we placed this proposal before the house—and I wish to remind hon. members that it was always the C.C.F. party which took the lead in this matter—when we offered this cake on a platter, the hon. member for Rosthern would not even touch the icing; but today he ate half way through the platter before he sat down. He was not satisfied with this legislation; if I read his remarks correctly, he wanted the government to go the whole way.

I am quite prepared to go further than the government has gone. But it is interesting to note that members of the Liberal party who not long ago were not prepared to take even the first step in this matter are now demanding the whole cake.

This proposal would be of material assistance to prairie farmers in enabling them to convert their grain into immediate cash. To that extent we welcome it and commend the government for it and I, personally, take a certain amount of satisfaction in recalling that it was a minister from the province of Manitoba who introduced the first real legislation on this subject. We are known as "the keystone province" in this country and we hope this is going to be the key to bigger and better things in the future. But I believe we must not leave this question without taking into account the limitations inherent in this legislation and in the situation in which we find ourselves. I believe the government should seriously consider at this time taking a further step and, I believe, a practical step, namely, to provide government storage for grain.

THE ROYAL ASSENT

A message was delivered by Major C. R. Lamoureux, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bill:

An act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1958.

Mr. Speaker: The house will now revert to the business which was interrupted.

GRAIN

MEASURE TO PROVIDE CASH ADVANCES ON FARM-STORED GRAIN

The house resumed consideration in committee of the following resolution—Mr. Churchill—Mr. Courtemanche in the chair:

That it is expedient to introduce a measure to provide for the making of advances on account of initial payments for grain produced in the designated area, as defined in the Canadian Wheat Board Act, prior to delivery thereof upon undertakings by the producers thereof to deliver the grain to the Canadian wheat board; and to provide for the costs, expenses and other financial obligations required in the making of such advances; such measure to include such further related and consequential provisions as are necessary to give effect to the foregoing.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Zaplitny: Mr. Chairman, when the committee rose at six o'clock I had just drawn attention to the fact that the measure we are now discussing is of a limited nature and that, in my humble opinion, further steps would be required to cover the whole question of the disposal of grain. It seems to me that the government should take into immediate consideration certain further steps to put the available grain into a sales position, as efficiently and as quickly as possible, and to make provision for the disposal of it at fair prices to the producers. I would advocate three steps by which I think that this could accomplished.

First of all, I would advocate that the government finance, either directly or through the wheat board, the construction of additional storage space in this country on a huge and imaginative scale. I would advocate that the government finance the construction of additional storage, either at terminals or off-terminal sites at strategic positions, sufficiently large to store about 300 million bushels of grain. This grain would then be in position for immediate shipment in the event that the efforts of the Department of Trade and Commerce or our trade commissioners meet with the optimistic success which we hope they will. One of these days we may find that we will get a sudden flood of orders for grain from various parts of the world, and they may come at a time when the grain stored on farms cannot be readily delivered to the shipping points.

As a matter of fact, even under conditions of surplus and congestion, this has already occurred. There were times when the wheat board made calls for certain types of grain during the winter or early spring months when the roads were not passable and the country elevators were not able to supply the grain required, in spite of the fact that there were hundreds of millions of bushels of this grain stored on farms. In addition to this I feel that looking at it from the long-range point of view there is no better national asset that we could have than approximately 300 million bushels of grain stored in properly constructed storage, which grain could be kept for an indefinite period.

Mr. Churchill: Does the hon. member mean over and above the storage capacity now?

Mr. Zaplitny: That is right. We have in the past assumed we were on the gold standard. I think that assumption has pretty well evaporated, but since this country is chiefly an agricultural country I feel we would be better off to be on a grain standard than the gold standard because we would have as an asset a useful and usable product which, with all due respect, in comparison with gold would give a much greater degree of stability and give the world a far better sense of stability than the digging of gold in one country and burying it in another.

As a second step, I would advocate that the government take some immediate steps to give this house a little more encouragement than has been the case so far with regard to the establishment of an international food bank. I would not for a moment assume that this government or this parliament could, by itself, set up an international food bank. However, we can do our share. We must start on a national basis with the role which we would play in the general set-up of an international food bank.

The provision of proper facilities, as I have mentioned, for the storage of grain would be one step towards that objective and would have this other advantage that once the grain is delivered to such storage, once it is in the hands of the wheat board and the farmer has been paid for the grain, the wheat board knows where the grain is and that it can be kept in good condition. These are advantages over this idea of cash advances which we are now using as a temporary or, at least, as an emergency measure.

On the question of the international food bank, the hon. member for Assiniboia has already discussed the matter. There were some exchanges during his remarks about who was responsible for the lack of action on the part of Canada in taking her part in the establishment of such a food bank. Apparently there were accusations and denials going back and forth between former ministers and present ministers. I feel that so far as this government is concerned, they are firmly on record as to what they intend to do. According to a press report in the Montreal *Gazette* of May 20, the Prime Minister is reported as having said at Red Deer, Alberta—he is not quoted verbatim, but these are the words he used:

> Earlier at Red Deer he advocated formation of an international food bank under NATO to ease the threat to wheat markets from "vast" world wheat surpluses.

Then the article continues to give greater detail as to what the present Prime Minister advocated. In spite of what may have been the case up until now, and without trying to place the blame for the lack of action as between the former minister and the present minister, the present Prime Minister is on record, speaking in a province which is very interested in this question of grain, as being in favour of setting up an international food bank.

As a third step, I would advocate—I will only touch on this because it is my intention to go into this matter in much greater detail in the general debate on the address in reply to the speech from the throne—that the government show some real action in the removal of trade barriers. I must admit that so far, on this particular point, I have been disappointed.

I am one of those who believe that Canada's destiny in the future lies in the direction of freer trade. We had hoped that we would be moving in that direction rather rapidly, in fact I have been hoping for that for a considerable number of years. There was a time when the Liberal party of this country was the low-tariff party, while the Conservatives had earned a reputation as being the high-tariff party. When the change of government took place in 1935, at which time I cast my first vote, I thought perhaps we would see some real action towards the removal of trade barriers. It took 22 years for the disillusionment to become rather complete.

We have a new administration now, and in spite of their past—I say that not in any sense of bitterness but because I think perhaps the members of the new government are big enough men to be able to forget some of the past of the party—perhaps they will now show an example to the world by taking some real action toward the removal of trade barriers. They were given an excellent opportunity to demonstrate that only recently when the government of the United Kingdom made quite a sensational, and in my opinion excellent proposition to this country to establish a free trade area as between the United Kingdom and Canada over a period of years. I hoped that not only would the government have taken them up immediately on that proposition, but have made some plans to widen that proposition to include all the commonwealth countries.

Here again I find that on the record the present Prime Minister seems to have something of that sort in mind. But according to the Ottawa *Citizen* of May 15, the Prime Minister is reported to have said at Portage La Prairie, Manitoba, the following:

> He also called for a commonwealth economic conference to restore Canada's markets, loans to Japan to buy wheat here and action to maintain European markets in the face of the proposed European common market system.

May I just say that with regard to the last part of that statement that in the last few days news has come out to the effect that Great Britain is now prepared to include agricultural products in the European common market system, something which they had been deliberately withholding in the hope, I believe, of coming to some terms with Canada for a free-trade area. But apparently because of the singular lack of action and, as a matter of fact, the almost complete lack of interest that was shown by the Minister of Finance at the Mont Tremblant conference, subsequently the British government, I think quite rightly, has perhaps come to the conclusion that Canada is not the least bit interested in the establishment of a free-trade area and removal of trade barriers between those two countries and is now looking elsewhere where countries are more favourably disposed.

If that happened I warn this government that it would be a serious blow to the agricultural industry of this country and not only to the agricultural industry. I can assure him

that so far as all of western Canada is concerned and so far as the maritimes are concerned, this government and his party would lose a terrific amount of prestige and support if it were found that the new Conservative government is no different with regard to trade barriers from the old Conservative governments that we have had. I issue that as a friendly warning and add to that warning that it is going to take on the part of the Prime Minister a great deal more than the stentorian voice and the rolling phrase to cover up this lack of action.

The people of the prairies and the people of the maritimes are interested in seeing an east-west trade arrangement between the United Kingdom and Canada. I am not going to go further into that matter at this moment because I realize that other members perhaps want to participate in this debate. However, it is my intention to go into more detail later.

Mr. Jorgenson: Mr. Chairman, unlike the other members who have spoken on this particular bill, I want to confine my remarks to the bill itself, and they are going to be very short and to the point. I was greatly interested in the remarks made by the former minister of agriculture, the hon. member for Melville, when he said that the Liberals had they been given time, would have enacted this legislation. I was interested in some of the statements he made as to what Mr. Howe had said to the effect that this legislation was not necessary, that the farmers were quite satisfied with the interim financing bill as it was, that all farm organizations had approved it.

I come from a farm and I am directly concerned with the interim financing bill and the legislation that is now before us. My mind goes back to a night not too long ago when the hon. member for Rosthern was attempting to defend the interim financing bill on a television program. I think most hon. members will recall what happened that night when his image was blasted off the television screen by a shotgun. Perhaps the former minister of agriculture feels that he is justified in saying that the leaders of the farm organizations and the people he represented were satisfied with that bill, but I think this proves rather conclusively that the farmers were not satisfied.

My mind also goes back to a time shortly after that when the then minister of justice, Mr. Garson, attended a meeting in Minedosa and received the same treatment from the farmers. Then the last but certainly not the least occasion was when the former minister of trade and commerce attended a meeting in Morris. Here again was ample evidence of what the farmers felt about this bill. In spite of the advice the former minister of agriculture has received regarding this bill, I think the actions of the farmers themselves speak a great deal louder.

The hon. member for Rosthern set himself up as a champion of the farmers. This is a rather belated effort. He had 22 years to be the champion of the farmer and he failed to do so. Now, all of a sudden, he expects this government to go out and accomplish miracles. He expects us to implement a policy that would require a tremendous administrative organization and to do that in the space of a few months. I know the farmers fairly well and I know that they are reasonable enough not to expect the government to come up with an administrative program of that kind, certainly not in the short space of time that they have had. I know that they are quite satisfied to have the bill as it is to help them over an extremely difficult situation. Nobody in this house or outside of it expects that this bill is going to be the answer to the farm problem, it is merely a piece of legislation designed to help the farmers over an extremely difficult period.

The need for cash in the hands of the farmers at this time need not be retold by me. I have had communications from municipalities that are in desperate need of help because of the lack of cash. Everyone, including fuel dealers and storekeepers, is feeling the pinch. I have heard member after member rise in this house and suggest that something be done to remedy unemployment. In my opinion, this is one of the ways in which you can help the unemployment situation.

We know that when the farmers have not the ready cash they are unable to buy the things that are necessary to carry on their farming operations. According to the records of machine companies, sales have gone down in the past year and you can understand how this factor reflects back in the employment field. You have serious negative factors compounding each other in the wrong direction and unless something is done to place money in the hands of the farmer so he can carry on, meet his obligations and continue farming and to keep the industries working in this country, then the situation is not going to improve. I suggest that the passing of this bill is going to do a great deal to help the farmer and to help this country in general.

(Translation):

Mr. Maltais: Mr. Chairman, from what we have heard this afternoon, it does seem that the farmers of the western provinces do not

share equally with the rest of the Canadian people, in the prosperity which Canada has enjoyed in recent years.

It is also becoming more and more obvious that, since the wave of promises which has swept across our country, from coast to coast, since June 10 last, other districts in Canada are showing a degree of economic pessimism which seems quite justified as we go along.

(Text):

When the minister this afternoon introduced the legislation he gave several reasons for introducing it at this time. He mentioned the loss of markets and the increased costs. Another reason that we heard in this house previously was this.

Well to say that this is a problem inherited from the previous legislation is, in my opinion, a very weak defence. If one wants to bring in a piece of legislation, I say that is a weak way to do it, to try and bring it in, blaming somebody else for the difficulties. It reminds me of a story I was told, that as long as we live in a community, in fact as long as we live, we will find day by day there will always be problems, just the same as there are in every family. What we have inherited from our forefathers we like to conserve and to improve so we can pass it on to those who come after us.

These problems which the government is facing with respect to the western provinces are problems created because of the fact the farmers were required to produce more and were certainly getting encouragement to do so, most likely being led to believe that there would be markets for their increased production. The ministers should not blame the previous government, and I specifically refer to the Minister of Trade and Commerce, saying that they had inherited these problems from the former administration because these problems were caused by the increased production of the farmers out west.

Now as I want to be brief I will refer to just one aspect of this legislation which particularly strikes me, that is the free of interest aspect of these loans. I understand very clearly that in the western provinces this is a local matter but, Mr. Chairman, how many Canadians would approve of a crown corporation engaged in producing consumer goods being encouraged to go along and be given help in the form of subsidies in order to increase the volume of production of private industry?

I would like to refer to the central provinces, particularly to where I come from on the north shore of the St. Lawrence river. We also have farmers there and most of those farmers right now are trying to get away from the farm because there is a feeling coming from the west that they cannot get a reasonable sale price for the commodities they produce. Now those same farmers in my region who are obliged to call for help are now being asked to pay a further premium on that grain by having to pay taxes which will cover this free interest rate, for they are going to have to pay for it.

It may be that in the proposed legislation about which we have heard today from the Minister of Agriculture the farmers of this country will be taken care of, but may I suggest that he rectify, at least in part, the discrimination against farmers in my district. We should have some additional legislation to increase the subsidies for grain moved into distant provinces.

I would like to refer for a moment to a remark made by the speaker immediately preceding myself. He said that this help to the farmer out west would also go a long way towards reducing unemployment. Some of the farmers in the province of Quebec, and I believe also in some parts of Ontario, live by the production of pulpwood. In our district these farmers who have been engaged in the production of pulpwood for years will this year be unable to get any suitable employment in the cutting of wood. As everybody knows, unemployment insurance does not yet apply to labour on the farm.

It is my hope and expectation that the Minister of Labour—although he did not pay too much attention at question time to the questions of unemployment—will get in touch with the Minister of Agriculture who will explain to him that in the province of Quebec, and more especially along the north shore of the St. Lawrence, the farm labour force is discriminated against by this legislation now before us. This is easy to understand because, as the legislation now stands, nobody wants to work on the farm because there is no unemployment insurance benefit provided. When the farmer wants to obtain labour he finds it very difficult to do so because the sons of farmers prefer to leave the farm and work in industry where such benefits are provided.

In closing my remarks I say I will certainly support the bill, and I am sure you will not be surprised at this. I am glad to hear the gentlemen opposite clap because at least my remarks are receiving some attention and I hope that some of the smiles of approbation I see on the faces of the ministers will also be there later on when I make requests respecting other projects in my riding.

Grain

Mr. Hansell: Mr. Chairman, I do not know that I have too much to say in respect to the present legislation, although I do not believe I can let this occasion go by without making some remarks. In the first place I do want to congratulate the government on this measure. The legislation has been brought in partly because of promises during election time and partly because I am sure the present Prime Minister, as a western representative, recognizes something of the particular and pressing needs of the Canadian wheat farmer. We are pleased that these measures are being introduced for another reason and that is that we have advocated cash advances for some considerable time now. We are happy it is now being realized that some suggestions we have made in the past are able to be used to the advantage of the western farmer.

Although we are pleased that this measure has been brought in, as the member for Acadia has already said it does not for one moment mean that it will be an entire solution to the problems of the western farmer for, after all, the real solution is for him to be able to sell his wheat at a price which will keep him in business, give him a fair share of the national income and a good standard of living. That means you have to go back and attempt to appraise the situation in the same way as a doctor would attempt to diagnose and appraise a disease of the body. Something has caused the surplus of wheat which we have now. There must be a root cause which has resulted in a surplus of which we have not been able to dispose, and I say we have to discover what this root cause is in order to find a solution to the problems of the western farmers.

We talk of surpluses. I think we will all agree that the term "surplus" is a relative term. When we talk of a surplus we should really ask ourselves: surplus to what? If we say it is surplus to what the Canadian wheat board has been able to dispose of in the normal course of trade and through the normal channels of trade, then, of course, we have a surplus. But if one thinks of surplus in terms of world need I declare that we do not have a surplus because we recognize, as the hon. member for Acadia has mentioned, that a number of the nations of the world are living on starvation level.

I hold in my hand a document which, I am inclined to believe, was referred to the other day, although I am not certain whether this was the document or not. If it is, it is worth referring to again. It was put out by the Department of National Health and Welfare, and was issued in April 1957 under the previous administration. It contains an article entitled "We Live in an Unequal World". The writer talks of the surpluses which apparently exist in the world, yet, at the same time, the article shows that the world is in need of those so-called surpluses. Of course, I am not going to read the entire article, but I do want to point out one or two very striking things contained in it.

The article starts out by saying that two and a half billion people live in the 80 nations of this earth but that only 8 per cent of the earth's surface is under cultivation; one-third of mankind consumes three-quarters of the worlds' food, and in spite of all the efforts of international organizations, available food supplies are barely as great today as they were before the war. In spite of increased production, food supplies are just keeping pace with the growth in population. I may interject here that this article has been prepared from a United Nations report. It contains a few diagrams, and one diagram shows three skinny men standing beside two rather fat men, and it shows that three people out of five in the world are hungry. This is what the article says in this respect:

> If all people were to have enough of the right kind of food, according to a United Nations committee of scientists, the production of cereals would have to be increased by 50 per cent.

Sometimes when we have surpluses of agricultural products we begin to talk in terms of a reduction in the quantity produced, and in terms of taking land out of production. That may be all right in certain circumstances. It would be proper to take land out of production if it were for the purpose of revitalizing the soil or for the rotation of crops in order, on a long-term basis, to get the very best out of the land. We are all aware that in the United States they have what is known as a soil bank, and I do not know why something of that kind cannot be instituted in Canada eventually. Whether the government is giving consideration to that or not, I do not know. All I am saying is that if this United Nations committee of scientists is correct in saying that production of cereals would have to be increased by 50 per cent in order that the world might be properly fed, I cannot see how we actually have a surplus of food stuffs or grains in Canada. It is true we have a surplus relative to what we have been able to dispose of through the regular channels of trade, but not a surplus in respect to the needs of the world, which only means this: if people need the food we must go behind the scenes and attempt to diagnose why we are unable to deliver it to them.

In the case of meat products, according to this article the supply of meat would have to be increased by 90 per cent. I come from a cattle country, as well as a wheat growing country. My constituency takes in part of the foothills country of southern Alberta in which some of the finest beef cattle in the world are raised. Imagine my ranchers hearing that, and knowing that in order to feed the world properly meat supplies would have to be increased by 90 per cent.

The production of milk and dairy products would have to be increased by 125 per cent; production of vegetable oils would have to be increased by 125 per cent, and the production of fruit and vegetables by 300 per cent.

Thus, Mr. Chairman, when we talk of surpluses we question whether or not we do actually have surpluses in the light of world needs. I say we do not have such surpluses. It is all very well for ministers of the crown and individuals to run around and become a bit hysterical about our failure to dispose of our surplus, but I would say this—and I claim that our social credit policy should be worthy of some study—that unless we get behind the scenes and diagnose this situation properly and find out exactly what is basically wrong we will never be able to solve our problems. Our social credit position is that unless basic financial and trade policies are changed we will never be able to solve the problem of so-called surpluses.

I hold in my hand here the preliminary report of the royal commission on Canada's economic prospects. What does the Gordon commission report say in respect to wheat? Here is what I personally take to be a somewhat alarming statement. The report says:

> The surplus of wheat in Canada at present does not seem to have arisen out of the procedures used to market the crop.

I would take issue with the report there, but the matter is not too important for my argument. It goes on to say:

> It has resulted primarily from weather conditions.

It is all very well to make that appraisal, but I am going to ask this simple question: what kind of weather conditions do we want, anyway? Surely we want weather conditions which are most conducive to the production of those vital foods which come from the land. I have never yet seen a farmer go out into his field after he has planted his crop—let us assume the weather has been dry—and say: "my hope is that it doesn't rain; if it rains it is going to be catastrophic". Of course he does not do that.

We want the proper weather conditions that will enable the land to produce the best kind of crops and an abundance of them; surely we do. Again I would pose a question. What is land for if it is not to produce? These questions are simple ones and naturally they should be easy to answer. To my way of thinking land awaits the energy from the sun and rain from the clouds so it will produce an abundance of food. It should be that the more we are able to produce the better, but somehow or other because we have had good weather conditions it presents a problem to us. The problem is not one of overproduction. The problem, of course, is one of underconsumption. Therefore I say that what the government must do is once again look behind the scenes and see what is actually wrong and attempt to correct the basic fault.

When the present government first came into office everybody expected it was going to do something. Well, the members of the government did do something, they did a lot of talking for one thing and talk is sometimes of value. The Prime Minister went down to Dartmouth and of course he lashed out at the United States for what is sometimes known as its give-away program. I was a little amazed at this because, after all, the present Prime Minister had been sitting in this chamber for a number of sessions and while he may have been mildly critical of the United States give-away program I did not hear him raise his voice too vigorously or in very strong protest against it. Of course, he was now the Prime Minister and he had to do something and it meant making a big noise in Dartmouth and receiving lots of publicity by railling at the United States for its give-away program.

I believe it was last session I said in this house that I found it rather difficult to criticize the United States for this program. I do not know that it was altogether a give-away program either. As I see it, under this program the United States approached the nations and said, "Our Commodities Credit Corporations have amassed vast abundances of surplus agricultural products. Now, what nations of the world want to take them? If you want to take them, do so and we will talk about payment for it later." In speaking of it in this way I am only using layman's language. What they did in effect was to beat us to the punch, that is all. The previous government was in office at that time and I am not sure they raised too much hullabaloo about it.

I have found and continue to find it difficult to criticize the United States too harshly for its policy because it has accomplished something useful. In the first place it helped to feed some of the hungry nations of the world and in the second place it reasonably satisfied the farmers of the United States.

Another simple question I would ask is this. Can you criticize any nation that attempts to feed the hungry people of the world? I do not think so. I would also ask if you can criticize a government that attempts to look after its own people first? I do not think you can criticize that, either. It occurs to me that in cases like this the United States is simply beating us to the punch which is putting it in what may be considered rather vulgar language.

For example, it was drawn to our attention by press reports the other day that the United States is sending a trade commission to Japan in an effort to facilitate and increase trade with that country, and dispose of some United States agricultural products. Is the United States going to beat us to the punch there, too? The present government has had preliminary trade conferences and I am not prepared to say what has actually happened as a result of them. We cannot expect too much at the beginning and these were simply preliminary conferences. Nevertheless I would point out that we can go all around the world and call all the trade conferences we want but I contend that unless our basic fiscal and trade policies are changed we will continue to face the problems we have today in respect to the sale of our production.

There is one other matter with which I wish to deal, Mr. Chairman, and then I will not take any more of the committee's time. We would have no need for cash advances on farm-stored grain if we had been able to dispose of our surplus production and if the farm population of Canada was receiving its fair share of the national income. This means we must enter the economic field and the realm of fiscal and monetary policy.

For instance, take the matter of the price squeeze. You cannot begin to seek a solution for this problem without becoming involved in the subject of monetary and financial policy; it simply cannot be done. The price squeeze is affecting the low income of the farmers of this country. The hon. member who preceded me spoke of the farmers who are going to the cities to find work in industry. This is so because matters have reached a stage where they are unable to derive adequate income from their farm operations. I think this is particularly true in Ontario and Quebec.

I wish to deal in greater detail with the question of the price squeeze. I have in my hand some figures presented to the cabinet of the previous government on March 9, 1957 by the Western Wheat Pools dealing with western farm costs and farm prices from 1947 to 1956. They show the price of wheat as compared to the price farmers must pay for the things they buy. I do not intend to read all of this table but the last paragraph is significant and I wish to place it on the record:

> Briefly, the above table shows that in 1956 the value per bushel of wheat marketed in Saskatchewan—

This would be true anywhere in the west.

> —was almost 21 per cent below that of 1947. During the same period the western wheat grower's costs had risen by almost 46 per cent.

Surely there is something wrong with our monetary policy when we observe this sort of thing happening in respect to the price structure throughout Canada. The brief presented by the Western Wheat Pools from which I quoted also dealt with farm products apart from wheat. The cabinet received this brief and they had their officials and figure men there who could vouch for the accuracy or point out the inaccuracy of the figures contained in the tables.

In the same brief there is a table respecting over-all farm products as follows:

> Saskatchewan farm costs today are 45.9 per cent higher than they were ten years ago while farm prices are 7.1 per cent lower than they were in 1947.

That will give the committee a picture of the reason why the farmer is complaining. He is coming off at the short end of the deal. I am going to close my remarks and once again I close with an urgent appeal. I appeal, not only to the Minister of Trade and Commerce who we recognize has a problem on his hands, and I think we sympathize with him; not only to the Minister of Agriculture who is doing his best to help to solve some of these problems, but also to the Minister of Finance and the Prime Minister to attempt to get behind the scenes so far as the trouble is concerned, appraise the disease and find out where are the roots of the disease. If you cure the body politic at the roots then the bloodstream and the patient will eventually revive and become healthy.

The Chairman: It seems to me that some members are discussing matters that are not related to the resolution. I would like to remind hon. members that speeches in committee of the whole should be strictly relevant to the resolution. May I ask hon. members to assist me in enforcing the rule of relevancy.

(Translation):

Mr. Gour: Mr. Chairman, the resolution now being considered by the committee constitutes, in my opinion, a very dangerous precedent. However, I shall support the measure.

(Text):

I will speak in English in order that my English speaking colleagues, including the Minister of Agriculture, my good friend, may understand what I said in French: This legislation sets a dangerous precedent but at the same time I will, as I have always done, endorse it because it is a form of help for the west at the moment. I will also endorse other bills that will provide help for other districts in our country.

M. Harkness: Très bien.

Mr. Gour: In my time in the house and prior the Liberal government provided large amounts of money to help the people of the west when they had no crops. At that time the federal government gave many millions of dollars to help the farmers who were in a bad position. In 1947, I think, we voted, and I was in favour of it, for a Liberal government measure that gave the western farmers $65 million and we did so because of the price of wheat at that time. Last year we took steps to protect the banks so far as losses might be involved in lending money to the people of the west who needed it.

This session we have another bill to pay cash to the farmers so that they will be able to get money without having to pay interest.

I claim that this bill establishes a dangerous precedent because the government will now have many calls for money from people who would like to secure money without having to pay interest. In my own riding we will pay this year at least $1 million for wheat or other grain from the west. The farmers of my riding also have to pay for farm machinery purchased through farm development loans or by giving their own notes to the bank. They have to pay from 5 per cent to 7 per cent interest to buy the things they need.

My riding is a dairy farming district and the farmers have to wait three years before a cow is able to give milk and they can get any money out of their investment. They have to wait three years before they can get a dollar, before they can milk the cow and sell the milk to the cheese factory. Therefore I am of the opinion that after this legislation is passed the government should bring forward other bills to give similar help to the people in other parts of Canada engaged in various occupations such as dairying, raising chickens, producing eggs, fishing and so on. After all, farmers everywhere have to pay high prices for what they buy. It is not the fault of the government. It is the fault of the prosperity we have in this country. We have a very high level of living and when we want something we have to pay a high price for it.

Therefore I support the measure and I will support other bills that I hope the Minister of Agriculture will bring forward with a view to helping the people of the east and of central Canada. I will support them as long as we are able to pay and so that we may give a square deal to every part of the country without discrimination against any particular part.

Mr. Lewry: Mr. Chairman, I wish to join with others who have welcomed the legislation to provide cash advances to the hard-pressed farmers of western Canada. But I also wish to stress that this is only one small part of necessary assistance that is needed in the agricultural industry. Cash advances are not a solution to the farmers' problems. Indeed, cash advances will only postpone the inevitable bankruptcy of the small family farm unless the government is willing to take a firm grasp of the problem and come up with a solution. Cash advances, while welcomed, will give about a six months hoist to the necessity of coming to grips with the ever-increasing problem.

Just prior to coming to Ottawa for this session I made a 4,700 mile trip round my constituency. I can tell you that the farmers are worried about the future of their industry and their livelihood. In some areas where distressing hailstorms occurred in the summer months, and because of the lack of a comprehensive crop insurance plan, the farmers have been forced to go into other labour markets at a time of decreasing employment opportunities. Some farmers have thousands of bushels of wheat in storage on their farms. Others have no storage problem. But both classes are in the same predicament. They have no ready cash.

The farmer with a crop this year will be able to take advantage of the cash advances now proposed. But what of the man who was hailed out or the farmer who has had successive crop losses? We say that a comprehensive crop insurance plan is the answer to those problems.

Again I repeat that we welcome this legislation as a stopgap at this time, but the farmers want to know if the government is going to pay lip service only to the problem in general terms or is it going to try to do something to alleviate the plight in which the farmers find themselves? Cash advances will enable farmers to pay their taxes to the hard-pressed municipalities. They will be able to pay their grocery and fuel bills and thus reestablish their credit for another few months. The legislation is worthy in that it will establish the principle, I believe, that cash advances are a right, not a hand-out at the discretion of the banking interests.

There is one point that I believe the government should be asked to clarify. Do former negotiated loans have precedence when these cash advances are paid by the elevator companies? In other words, is the paying agent obliged to make sure that before making cash advance payments the recipient is debt free of other bank loans? Would such loans have to be deducted from these new cash advances?

Since 1952, when farm costs started their unprecedented upward trend, farmers have found themselves going into debt, not to buy new equipment but to maintain their own living.

While in many other industries Canadians have seen booming conditions, the farming industry has been declining steadily. The farmers have felt the cost-price squeeze more than other Canadians. While farm prices have been sagging, costs have been soaring. Throughout my constituency the farmers have been living on the depreciation of their machinery for the past several years. This cannot continue. Cash advances will not help them replace machinery to any great extent. It will allow them only to continue existence while other parts of the Canadian economy continue to boom. The farmers of western Canada in particular are demanding a fair share of the national income.

In almost every other agricultural country the farmer is assisted and protected by the government in the interests of the whole country. Yet in this great country, built on the solid foundations laid by our pioneer agriculturists, we have had a government that refused to face the necessity of substantial assistance to this industry. The Saskatchewan wheat pool has recently published a table based on figures supplied by the dominion bureau of statistics. The figures show that the average farm price for wheat dropped from $1.63 in 1947 to a low of an estimated $1.29 in 1956, a drop of 21 per cent. In that same ten-year period farm costs have increased by almost 46 per cent. Similar difficulties are being experienced by almost all agricultural commodity groups, and telling wheat farmers they should cut down their seeded acreage, or go into livestock production, is no salvation to them. Livestock raisers themselves are looking to the government for legislation to stabilize prices in order to prevent further losses resulting from declining livestock prices.

It is becoming increasingly evident that farmers in western Canada cannot survive if the government refuses to accept the responsibility of providing the incentive necessary to give the industry the necessary shot in the arm. Until a planned economy is provided for by federal legislation this creeping paralysis, which now has the agricultural industry in its grasp, will continue. May I repeat, Mr. Chairman, we of the C.C.F. will support the plans for cash advances, but we want it on the record that this legislation in itself is far from a solution to the ever-increasing problem that is now on the farmers' doorstep, a problem that has been accepted by other governments as their responsibility, but which in Canada has been left to the initiative of the farmers throughout the country.

(Translation):

Mr. Landry: Mr. Chairman, I wish to take part in this debate though not as an expert on the question of wheat, for everyone knows that it takes a great deal of time for a newcomer to the House of Commons to grasp the whole implications of so complex a question as that of the wheat of the western provinces.

However, let me add that it is from a general point of view that I would like to consider this important problem, and urge the government to find the best possible solution. I should also point out that, in order to solve all problems involving a particular area of the country, the people as a whole, no less than members of parliament, should realize that the economy of the country in general depends on the particular economy of the various areas making up this country. Being a member of the great Canadian family, I sincerely believe that closer study should be made of these financial questions, which seem to involve only one part of the country but which in the end affect the entire nation.

I am pleased to say here that I heartily support any measure designed to help our fellow citizens, the western farmers, within the powers vested in this government and parliament by the constitution, provided, of course, such measures would also take into account the effects of their application on the economy of Canada as a whole.

We from Quebec are well aware that western wheat producers are faced with a genuine problem; therefore we will unhesitatingly support any measure designed to help them.

This does not mean, however, that we should overlook the sad situation prevailing at this time in almost half the province of Quebec, and more particularly in rural constituencies where our farmers' secondary industry, if not their primary industry, is the cutting of pulpwood.

Speaking on behalf of the several thousand farmers of the rural constituencies adjoining the forests of Quebec,—and I presume that many other ridings are in the same situa-

tion,—it would perhaps be appropriate to recall that, for the majority of those farmers, pulpwood is the only source of revenue on which to rely to meet the deficits arising from farming operations.

It might not be amiss to point out here that for the past four or five months, those farmers who had felt they could count on this probable revenue, have been left with growing stocks of unsold pulpwood. The difference between supply and demand has become so great that the selling price hardly covers the cost of haulage. Because of this lack of a market for pulpwood our farmers now find themselves in exactly the same predicament as the western wheat grower.

I therefore feel justified in asking the government to extend its financial aid policy so as to give our own farmers the same advantage which it is now proposed to extend to their brothers in western Canada.

As I have already said in the first speech I made in this house, growing unemployment as a result of this depressed market for pulpwood constitutes a high priority problem for the government. I think that the situation in which the western farmers now find themselves, which I, for one, find most unfortunate and which the government is well advised to deal with as quickly as possible, bears peculiar resemblance to the situation of our own farmers with regard to pulpwood.

Once more I urge the government to consider the problem of pulpwood as a national problem, which will no doubt affect other parts of the country if the government fails to take the necessary remedial action.

As I said at the beginning of my remarks, we are happy to be able to contribute to the solution of the problems which exist in western Canada, but the people of Canada would be happier still if the government were to extend its help to every agricultural field in this country, where the problem of unemployment seems to be daily growing worse.

(Text):

Mr. Bryson: It is not my intention at this time to make any extended remarks of a general nature, Mr. Chairman, in line with your request of a moment ago. As a matter of fact, I am going to forego even the luxury of commenting on the verbal thunderbolts that were hurled with great inaccuracy this afternoon by the hon. member for Rosthern. We do welcome this legislation.

My purpose in rising is to pose a couple of questions that are in my mind so that when the minister next makes his reply he may take note of them and possibly we shall have some further clarification. Certainly no one in this group has any illusions regarding the over-all importance of this legislation as a solution of the agricultural problem. The farmers have no illusions and I am sure, at least I hope, the government itself has no illusions that this piece of legislation is going to be of tremendous importance in solving the very serious farm problem that exists in this country. I am happy to note that according to the speech from the throne the government contemplates legislation having to do with the stabilization of farm prices. If that is a comprehensive program, then this piece of legislation which we are discussing at the moment will be an important part of an over-all federal agricultural policy.

I believe the Prime Minister's remarks of last year concerning the bank loan legislation when he said it was a stopgap can be aptly applied to the present proposal. He went on to say that it was only a postponement of effective action. I hope, therefore, that no one on the government side is under any illusions as to the great importance of this measure. We welcome this measure for two or three reasons.

First of all, we are all conscious of the plight of agriculture and in particular the plight of the western grain farmer. For the benefit, if it is necessary, of new members from eastern Canada who possibly—and quite understandably I suppose—are not too well acquainted with what is happening out there, I would advise you to recall the figures that were placed on *Hansard* a day or two ago by the hon. member for Springfield when he pointed out that in three of the last five years, western agriculture has received no labour income of any kind. When you consider that there are over 200,000 permit holders, you begin to appreciate something of the magnitude of this problem. To put it another way, it is just about the same thing as saying that all of the people in Ottawa had no labour income for a three-year period. What would that mean? That would not only be a national disaster but a national disgrace.

When you look at the matter in that light, you begin to appreciate something of the enormity of the situation as it is found in western Canada. You will immediately say, "That cannot be so. How are these people

living? You cannot exist if you have no income over a period of time". That is probably true. But may I remind hon. members that what the farmer has been doing in the last five years is living off his depreciation. The day is coming, and shortly, when he is going to be obliged to replace that investment if he is to stay in business. In the meantime he is caught in this spiraling of costs. In 1946 a combine cost something in the neighbourhood of $3,700 or $3,800; today that same combine of an inferior quality will cost well over $7,000. Hence it is going to become more difficult to make these replacements which will certainly require to be made.

In this legislation I see something of some value. First of all, we must go along in agreement that it is going to put some ready cash into the hands of farmers who are desperately in need of it. It is going to be of some assistance in that direction. But in this legislation I see something more and it is possibly as important. It is going to do something to iron out the great inequities in the marketing of grain under the quota system.

What I have in mind is this. In my area there are a great many points that to date have not been able to market their initial 300-bushel unit because the elevators have been plugged. Possibly at the next station the farmers have been able to get rid of their unit quota. In my own case I have been able to market two bushels because I am in the fortunate position of living on the railroad that hauls grain to Churchill. I am therefore in an enviable position as compared with some of my neighbours to the south of me a few miles. Therefore I see in this piece of legislation something that is going to iron out these inequities. For that reason I think it has a great deal of merit.

I am going to ask the minister now a couple of questions. First, I should like to know what disposition is going to be made of the needy farmer who owes taxes. Is he going to be subject to the same restrictions to which he was subjected under the former bank loan legislation? When he owed taxes he was automatically ruled out from getting any advance because the excuse was that the municipalities had first priority on grain that was hauled to the elevator. I hope the minister will make some clarification of the situation in that regard.

Mr. Gardiner: It was cleared up long ago.

Mr. Bryson: This question of taxes is becoming a great problem. I am thinking in particular of the tenant farmer who is trying to exist on a one-bushel quota. After a lapse of a couple of months or three months here is what is developing, and it is going to become more serious as time goes on. In the past it has been possible for most of the landlords who have retired with a small amount of money to pay the taxes, and in a good many cases the tenant has not been able to operate unless the landlord forgave his portion of the one-bushel quota. But now the situation is becoming aggravated and the landlord finds himself in an impossible position wherein he must depend on the proceeds of the grain to pay the taxes.

There you have this split in this one-bushel quota which places the tenant in a most untenable position. I am therefore wondering what disposition the government intends to make in this regard. I am also wondering about partnerships and co-operative farms. Are these partnerships going to be limited as individuals with regard to the ceiling of $3,000? When the minister replies I hope he will say something in that regard also.

We in this group over the years have advocated cash advances on properly stored farm grain. We welcome this measure and we are going to support it. At the same time I want to make it clear that when we made this proposal we always coupled it with the proposition that it should be part of an overall, comprehensive federal agricultural policy. I am certainly hoping that when we discuss the other matters referred to in the speech from the throne we are going to get down to the real root of the agricultural problem. Then this legislation, incorporated into something more comprehensive, will be of a great deal more value.

Mr. Huffman: I was greatly interested in the remarks made by the hon. member for Macleod when he was speaking. In part of his remarks he was referring to the surplus, and that the reason for this legislation is the surplus of wheat in western Canada. He referred also to some of the commodities that are not in surplus quantity. I come from an area in which we do not have surplus commodities, but in our particular area—and that is in old Ontario—we find that we are not able to get for our commodities, especially primary commodities, prices that are consistent with the cost of production.

It seems to me that there is a new principle in the legislation that is proposed at this time. I am quite convinced that if the principle involved in this legislation could be extended to all of Canada it would not be necessary for some of our people to be compelled to sacrifice their commodities on the altar of necessity. There is no question that a great number of people at this time are

finding it most difficult to finance their operations and to pay the taxes that it will be necessary to pay very shortly.

For this reason,—and I am not going to delay this resolution by speaking at any length at all—I would recommend to the minister who is sponsoring this legislation and to the ministry as a whole that they give serious consideration to extending the provisions of this bill to all of Canada. In doing so you would not discriminate against any part of the country and I think it would be a most worth-while objective. I am sure this suggestion should commend itself to the minister sponsoring the bill.

Now I believe also that any amount of money turned into the purchasing stream will help every part of this country. I know there are many people on farms whose operations are not as efficient as they should be and who would like to buy some equipment at this time. They would then be able to increase their efficiency but because of the short cash position of many of our primary producers they are unable to do so. I therefore call on the government to extend the provisions of this proposed legislation to cover every part of Canada.

Mr. Nicholson: Mr. Chairman, I am very glad to hear so many Liberal members speak in support of this legislation. Had some of those members a year ago stood up in their places and admitted that this was a serious national crisis, probably their government would still be sitting over on the other side.

I think the major cause of the upset last June was because the party which had been in power for 22 years had refused absolutely to consider that the Canadian farmers were in the cost-price squeeze. I appreciate very much the remarks made by the hon. member for Russell. Sometimes it is said that we western members talk too much, but we are sent here to present the problems of our people and we cannot very well sit quietly by while we see our people being forced off the farms and compelled to abandon the good life for which they have been trained.

I was very interested in reading the remarks made by the former minister of trade and commerce a year ago. He reported that as a result of the previous legislation producers had borrowed a little less than $8 million and at the time he was speaking, on March 13, 1957, he said, as of January 31, for the new year, the volume was less than $4 million. He submitted these facts to give the impression that we had been talking nonsense, that the pockets of the farmers were bulging with money. The present member for Melville echoed his views,—that the farmers never had it so good and if they did not, they would have no one to blame but themselves.

I am very glad to hear the new Minister of Trade and Commerce suggest that this legislation is going to make between $100 millions and $150 millions available to the farmers. I certainly admit that is a big help; it is quite a contrast to the $4 million and $8 million which was the best the previous government could present but I suggest to the Minister of Trade and Commerce that he should read some of the speeches made by the present Minister of Agriculture—

Mr. Churchill: Heavens, I have listened to him for years; I do not want to have to read him again.

Mr. Nicholson: —I said the present Minister of Agriculture, your colleague, the present minister.

Mr. Churchill: Oh, you have been talking about the others all along.

Mr. Gardiner: We made available $1,120 million in cash for the farmers.

Mr. Nicholson: The minister of agriculture has spoken so often but I do not think he has ever made such a feeble effort as today.

An hon. Member: Which one are you talking about?

Mr. Nicholson: The member for Melville, the former minister of agriculture.

Mr. Harkness: So long as we know.

Mr. Nicholson: I want to suggest to the present Minister of Trade and Commerce that he read the speech of his Minister of Agriculture.

Mr. Churchill: I will be pleased to.

Mr. Nicholson: When he spoke here on the 13 March last year he urged that what was needed was a long-term solution of a definite and positive kind rather than sitting back with hands folded waiting for a drought period to come along and cure the situation in that way. I think that was good advice and I submit that the minister does not have a long-term solution, although he probably is not pretending that it is. The parliamentary assistant to the Minister of Veterans Affairs also made a very good speech a year ago when he stressed the fact that we needed a long-term program. The present Prime Minister used even stronger language when he said he summarized his party's attitude towards this resolution and the bill as follows: "what is being given to the farmer is a stone when he is asking for bread". Well I would like to say frankly

that this is a big improvement on the legislation brought down a year ago, but it is not a solution. I think the present administration cannot delay much longer facing up to this problem.

Mr. Churchill: You will give us one or two days longer though?

Mr. Nicholson: Yes, we will give you all the time you need but time is running out and I also think the minister should come up with a statement on his proposed mission to China tomorrow when he is discussing that.

Mr. Churchill: I am not going to China.

Mr. Nicholson: The minister has apparently issued instructions to one of his officers to go to China early next month.

Mr. Churchill: You are making statements which may be untrue and you are out of order anyway.

An hon. Member: What has this got to do with cash advances?

An hon. Member: Why don't you sit down and let us get on with the business?

An hon. Member: Just like the Liberals.

Mr. Nicholson: I am somewhat surprised that members who were in the official opposition over here and who opposed closure should object to a rural member having fifteen minutes to discuss this issue and I submit that the finding of new markets for Canadian wheat is of very urgent importance. Furthermore the minister himself, in answering questions asked by my leader the other day, suggested that in the sending of this delegation to China, people would be happy if they were able to sell some wheat. However the minister will have a chance to deal with that subject and I hope he will do so when he is bringing in the bill for second reading and will tell us what is the government's marketing policy.

The Prime Minister spoke about the very small contributions that the previous administration were making towards the undeveloped countries of the world. He suggested something in the terms of $100 million would not be an unreasonable amount for a country like Canada to supply, but I think the Minister of Trade and Commerce should remember that the government of the United States is spending a million dollars a day to put subsidies into the pockets of their buyers. I realize that we are not as rich in resources as the government of the United States but our government is spending $5 million a day on our defence program and I think a country that can spend $5 million a day on defence can do something better to help our farm people who are in a life and death struggle. I am not speaking of the wheat farmers alone, I speak of the farmers all across Canada.

I therefore hope when the minister is speaking tomorrow he will give our farm people some hope that in addition to getting a maximum of $3,000 on the basis of 50 cents a bushel for six bushels, something better than that will be available.

Mr. Stuart (Charlotte): Mr. Chairman, we have been sitting here now for nearly two weeks and during that period I would say that 75 per cent of the time has been taken up by discussions in connection with agriculture. We have heard about parity prices, cash advances, differential payments and many other services which the government feels agriculture is needing at this time.

I have never opposed any legislation that has ever come before the house since I have been here that would be of assistance to any primary producer, but I believe that we have in this country of ours today primary producers who are very much more in need of assistance than are the grain growers on the prairies. I speak from first hand knowledge of conditions that I have witnessed myself within the last three or four months, and I feel that it is my duty to take the time of this house for just a few minutes in order to place before the government the conditions which I have found confronting many of those producers.

In the Atlantic provinces, and I believe this would apply in a large extent to British Columbia as well, the pulp producers—the pulp they produce is of great importance to us in New Brunswick—are unable to sell their product at this time. I see no reason why they should not be allowed to cut pulp and leave it lying in the bush or alongside the road until such time as there is a market for it. If such a service can be provided for the grain producers, why not for the pulp producers? We have heard discussions here regarding those who produce base metals in British Columbia. Why not place them in the same category as that in which the western farmers are being placed by virtue of this proposal?

In the 12 years I have been here I do not believe the Liberal government has any regrets in this house with regard to the services and the protection which has been afforded to agriculture in this country, particularly in the west. That is my opinion as an easterner.

An hon. Member: Protection?

Mr. Stuart (Charlotte): But why is this legislation designed to help out just one area? Why not take in all the farming community in this country? There is a friend of mine in this chamber at this time who has told me that farmers in his province are producing onions at 30 cents a bag. They have to grow them and dig them, and it costs 18 cents for the bag alone. But no assistance is being given in this direction as far as this government is concerned. The only desire seems to be to get something for the grain growers in the west.

Now, I want to take a few minutes to explain to the committee the difficulties that the fishermen in my riding and in all the maritime provinces are facing, and the prices they are getting—

The Chairman: Order.

Mr. Stuart (Charlotte): Perfectly proper, I would think, Mr. Chairman—cash advances for fishermen. The fishermen in the area from which I come have been producing fish for the last three or four months at prices well below the cost of production. They have been selling fish for one-third of a cent a pound, and even below that. Nothing that this government has said so far would indicate that they are going to help that situation. There has never been any suggestion up to this time that there was any need to give assistance to these fishermen.

An hon. Member: How about the Liberal government?

Mr. Stuart (Charlotte): I am glad the hon. member referred to that. Every effort was made to improve this condition. Up until last spring, however, prices were good and we had no complaint. The sardine fishermen were getting a good price for their sardines and I will give some figures bearing out what I have in mind.

From the first of July they had been receiving between $4 and $5 for 1,200 pounds. That is what the fishermen have been receiving for 1,200 pounds of sardines. This summer I saw pollock, one of the finest fish that ever came out of salt water, being sold to reduction plants for fertilizer at one cent a pound, something that has never happened before in the fishing industry.

The Conservative members for New Brunswick have been talking year after year about the situation in which the potato growers find themselves. They were asking: what is the Liberal government going to do for the potato growers in New Brunswick. Well, there is nothing here that mentions the potato growers or the apple growers in Nova Scotia or New Brunswick. No mention is made of any primary producers other than the grain growers on the prairie.

I have every sympathy in the world with those men. I was a primary producer myself for 25 years, and I know what they go through. But I do not believe in discrimination. I maintain that if this assistance is to be provided for the primary producers in one area it should be provided for all primary producers in Canada.

Mr. Bell (Saint John-Albert): Are you going to vote against the bill?

Mr. Stuart (Charlotte): I am going to vote against the bill, and you will know exactly why—

Mr. Bell (Saint John-Albert): Are you going to vote against Beechwood too?

Mr. Stuart (Charlotte): I am glad the hon. member has brought up the matter of Beechwood, and I am going to take one minute to reply to him—

Mr. Bell (Saint John-Albert): Answer yes or no.

Mr. Stuart (Charlotte): Unless we have some rain down there we need not worry about Beechwood operating for a long time. And let me add it may well serve a useful purpose because should there ever be a flood it would be the safest place for the people of New Brunswick to go.

Mr. Bell (Saint John-Albert): Are you going to vote against it?

Mr. Stuart (Charlotte): I am not talking about Beechwood, I am talking about primary producers. Now I would like to ask the hon. member a question. After the announcement made by the Prime Minister yesterday, will he vote for additional financial assistance being provided under the Colombo plan? We have today in my own county sardine canners with the greatest inventory ever known in history. Every available space to be found is filled with canned sardines.

An hon. Member: You told us that yesterday.

Mr. Stuart (Charlotte): I didn't interfere with the hon. member when he was speaking from over there.

The Chairman: Order. Clause 2 of standing order 59 directs that speeches in committee of the whole house must be strictly relevant to the item or clause under consideration. I ask the hon. member to take note of that.

Grain

Mr. Stuart (Charlotte): Mr. Chairman, I am speaking about cash advances on primary products and I believe I am perfectly within my rights in the house to speak on this subject. Unless we are going to have closure—

The Chairman: We are discussing cash advances on wheat.

Mr. Chevrier: On a point of order, Mr. Chairman, the hon. member discussed at the beginning of his remarks the question of cash advances on wheat, and I submit with respect that having done so he has now the right to compare the position of other primary producers in the country such as fishermen or others he has mentioned, and I do not think the rule to which you referred precludes him from doing that.

An hon. Member: Are you going to vote against the bill, too?

Mr. Chevrier: When an hon. member is speaking to a point of order he has the floor and if another hon. member wishes to interrupt him by asking a question he has the right to do so; otherwise he should keep his peace and sit in his chair.

I would like to complete my remarks as briefly as I can by saying, with due deference to you, Mr. Chairman, that having regard to what has been done in this house before, the hon. member has a perfect right to speak about other primary producers in this country on this resolution.

The Chairman: I will ask the hon. member to help me in my duty, and to try to keep near the resolution being discussed.

Mr. Stuart (Charlotte): Mr. Chairman, it is impossible for me to discuss the resolution unless I can mention the primary producers in whom I am interested. I would like to make comparisons—

Mr. Harkness: It is impossible for you to keep in order if you talk about sardines.

Mr. Stuart (Charlotte): I will say one thing then, Mr. Chairman, before I resume my seat. I had not expected that I would be called to order for discussing an extremely serious situation that prevails in the Atlantic provinces, one which I feel bears directly on the particular resolution which is before us at this time. I believe that I had a perfect right to take the course I followed, but I wish to make one comment and then resume my seat.

There is one condition upon which I would be prepared to support this resolution and that is if the Prime Minister were to stand on his feet in this chamber at this time and inform us that exactly the same consideration and treatment in terms of cash advances with no interest would be provided for every other primary producer in Canada. If he were to do this I would be pleased to rise in my place and support the resolution. However, if that assurance is not forthcoming from the government I shall be obliged to vote against the resolution.

[The Chairman.]

Mr. Johnson (Kindersley): Mr. Chairman, I am amazed at the transition which has taken place both in the government benches and in the benches of the official opposition because it was just last November, approximately a year ago tonight, when we were in special session that my leader, the hon. member for Rosetown-Biggar, rose in his place and suggested that instead of adjourning the house should consider matters of urgent public importance. He said, as reported at page 133 of *Hansard* of Thursday, November 29, 1956:

> I said also that if hon. members had any further business that they wished to bring before the house an opportunity should be given for them to do so. In my opinion there are pressing matters which hon. members might like to bring before the house.

I am surprised that the hon. member for Charlotte did not rise in his place at that moment and bring to the attention of the house the problems he has just presented. I am equally amazed at the behaviour of the acting Leader of the Opposition who at that time was only too readily in agreement with the motion of the then prime minister to adjourn the house. I am pleased that this transition is taking place.

I was disappointed, as were many of the farmers in western Canada, that there was not a September session as promised by the Prime Minister to deal with this urgent question. Nevertheless, I think the government is to be commended for having seen fit to postpone the debate on the address in reply to the speech from the throne to bring in this legislation today so that it may be given consideration at the earliest possible date. I am pleased, as I say, because we in the C.C.F. have advocated over the years a system of cash advances for farm-stored grain as a permanent aspect of our marketing system. It is a measure that in our consideration and in the opinion of the farm organizations would do much to stabilize the marketing of this commodity.

I see that the hour is getting on, Mr. Chairman, and although there are other remarks I would like to make I am certain that the Minister of Trade and Commerce will have some comments to offer at this time and I certainly do not wish to delay the proceedings.

The Chairman: Shall the resolution carry?

Mr. Argue: Question.

Mr. LaCroix: Mr. Chairman, may I direct a question to the Minister of Agriculture. In view of the fact that we are discussing farm production I think it should be my privilege to ask a question of the minister in connection with butter.

Is it the intention of the government to maintain the policy of the last government in providing a floor price for butter? I would also like to know if it is the intention of the government to maintain the practice followed by the last government of granting religious and charitable institutions the privilege of buying butter at privileged prices?

Mr. Harkness: Mr. Chairman, this is completely out of order. If the hon. member wishes to ask these questions in a subsequent debate in connection with general agricultural policy, or if he wishes to put his questions on the order paper or raise them on orders of the day I will be very glad to deal with them. However, I do not think I should attempt to answer at this time because there is no question but that the hon. member is completely out of order in raising such questions during a discussion of cash advances on farm-stored grain.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Resolution agreed to: Yeas, 138; nays, 3.

Resolution reported and concurred in.

Mr. Churchill thereupon moved for leave to introduce Bill No. 14, to provide for advance payments for prairie grain prior to delivery thereof.

Motion agreed to and bill read the first time.

OLD AGE SECURITY ACT

AMENDMENTS RESPECTING ALLOWANCE AND RESIDENCE QUALIFICATIONS

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 to amend the Old Age Security Act to increase the amount of monthly pension payable thereunder to fifty-five dollars per month, to reduce the basic residence requirements for pensioners from twenty years to ten years and to increase the length of permissible temporary absences of pensioners from Canada from three to six months.

Motion agreed to and the house went into committee, Mr. Courtemanche in the chair.

Mr. Chevrier: Is the minister going to make a statement?

Mr. Monteith: Yes. Mr. Chairman, the resolution now before the committee has for its purpose the accomplishment of three important changes in the Old Age Security Act. The proposed changes are: (1) an increase in the rate of benefit to $55 a month; (2) a reduction in the basic residence requirement from 20 to 10 years; (3) an extension from three to six months in the length of time which pensioners are free to spend outside of Canada in any calendar year without loss of pension.

In recommending these changes to the house the government is acting promptly to honour the pledges which our leader and our party made to the senior citizens of this country during the recent election. Through the legislation foreshadowed by this resolution and the other resolutions which will follow further proof is being given to the people of Canada that this government and the Progressive Conservative party mean what they say and that they can be relied upon to keep the promises which they make.

When we criticized the previous government earlier this year for asking parliament to authorize an increase of only $6 a month, we said at that time that while voting for the additional amount we regarded it as entirely inadequate. We are now asking for authority to provide a further $9 a month which, added to the $6 increase already in effect, will mean an over-all addition of $15 a month to the basic $40 rate prevailing at the beginning of the year. By approving this increase the parliament of Canada will be setting the benefit level for our senior citizens at the highest level, both in dollar terms and in purchasing power, that it has ever been in the 30-year history of old age pensions in this country.

May I add a further word, Mr. Chairman, with respect to the level of benefit that is now proposed, namely, $55 per month. We make no extravagant claims with respect to this benefit. We do not say that it is the final or perfect solution, or that there is any magic rightness about this particular amount. We make no extravagant claims as to the generosity of the amount we are now proposing. It is my view, rather, that we should try to measure what we are doing here not in terms of generosity but in terms of justice.

This government does not believe that it should try to make a good fellow of itself with the taxpayers' money.

An hon. Member: Oh, no?

Mr. Monteith: It was not entrusted with power for that purpose. It does believe that it was elected for the purpose of ensuring that just and fair treatment is accorded to our senior citizens, having in mind the many other heavy burdens and responsibilities that the people of Canada have to assume.

I can only say on behalf of the government that we believe that with the increase which is now proposed substantial justice will in fact be done. The benefit level of $55 monthly bears respectable, indeed favourable, comparison with the level or benefits payable in other countries. Only in the case of one country, the United States, is there any ground for arguing that the benefits payable are higher than those which we propose at this time for Canada. I shall be glad to make more detailed comparisons, if that is desired, when we reach the stage of second reading of the bill or possibly in committee on the bill. Meanwhile, I shall content myself with saying this. While it is true that the average benefit payable to a single retired worker is higher under the United States insurance program than it will be under this present proposal, the average married benefit payable under the United States scheme is not as high as the $110 monthly that will henceforth be payable in Canada where both spouses have reached the pensionable age and are eligible.

We can therefore truthfully say, when these amendments have been approved, that the benefits payable to our senior citizens in Canada will compare favourably with those provided under old age security programs in existence anywhere.

I should like to turn next, Mr. Chairman, to the second proposed change in the Old Age Security Act, namely, the reduction in the residence requirement. This government recognizes that with an old age security program such as we have in Canada some residence requirement is necessary. This plus the age requirement are in fact the only two conditions of eligibility. No detailed record of past employment and contributions is required, as is true of the United Kingdom and United States programs. Benefits are not, as under the Swedish scheme, denied to those of alien birth who have lived and worked in this country without ever taking out citizenship papers. Consequently, since all of these other detailed eligibility requirements have been left out of our Canadian legislation, some residence requirement is obviously necessary.

But this government believes that the 20-year requirement at present in the act is altogether too long. It considers that persons who have come from another country in the prime of life, at 50 or 55 years of age, and who have contributed their most mature and productive years to the building up of this country, should not on reaching pensionable age be denied the benefit of the old age security program. This is all the more true when one considers that these individuals throughout the period of their residence in Canada are required to contribute to the costs of the old age security program through taxes paid on the same basis as those of us who have lived all our lives in this country.

The government believes that the interests of the Canadian taxpayer and of the Canadian economy will not be jeopardized if the residence requirement is reduced to a more reasonable figure than the present 20 years. A ten-year residence requirement is already in our Blind Persons Act and our Disabled Persons Act where there are, of course, additional conditions of eligibility as well. Experience with the ten-year clause in these two acts has led us to conclude that we should make a similar reduction now in our old age security residence requirement.

The numbers who will benefit immediately as a result of this change are chiefly those who came to Canada in the decade 1938 to 1948 when immigration was at a relatively low level. Consequently, the full financial effects of the change will only become apparent over a period of years as we reach the point where the persons affected will be those who came to Canada in the post-war years when immigration was much higher. I am confident that the reduction now proposed will be warmly welcomed throughout the country, particularly by those who themselves have come from other lands to live in Canada. In proposing this amendment the government believes, and I am sure that the people of Canada will agree, that we are acting with justice as well as with generosity towards these more recent arrivals in our land.

Before leaving this point, Mr. Chairman, I should of course add that in reducing the basic residence requirement from 20 to 10 years the government also proposes that a corresponding change be made in the residence requirement affecting persons whose residence was interrupted by absences from Canada in the years immediately preceding the attainment of pensionable age.

Mr. Chevrier: May I interrupt the minister? Is he proposing to go on?

Mr. Monteith: I was just going to finish this one sentence and ask permission to continue. Persons who have been absent from Canada between age 60 and age 70 will be allowed to make up these periods of absence on a two for one basis as at present.

At this point, Mr. Chairman, may I ask for leave to finish the statement if hon. members see fit?

The Chairman: Is it agreed?

Some hon. Members: Agreed.

An hon. Member: Ten o'clock.

Mr. Nicholson: Mr. Chairman, I think all hon. members are anxious to hear the whole statement.

Mr. Monteith: Mr. Chairman, may I call it ten o'clock?

Mr. Nicholson: I am sure hon. members are prepared to give unanimous consent to the minister to enable him to make his statement.

Some hon. Members: Hear, hear.

Mr. Monteith: With unanimous consent, I shall continue with this statement. I will add only a word about the third change that is proposed, before proceeding to a summation of the financial costs involved. The third proposal affects only those who are actually in receipt of old age security at any time and who wish to journey, for whatever reason, outside of Canada. Many of our senior citizens desire, some even find it necessary on health grounds, to spend the winter months in a warmer climate. Others, with family ties of origin in other lands, may wish to visit back home for a while. The legislation presently provides for absences extending up to three clear months in any year without loss of benefits. Having in mind the length of our winters in many parts of Canada, the government does not consider that this period has been long enough. Conquently, it is recommending that the period be extended to allow as much as six months continuous absence from Canada in any year without the loss of benefit. This will permit, for example, an uninterrupted period of absence during the cold weather each year, from October through to March or November into April, without any loss of benefit. We believe this will be fair and equitable to all concerned.

The three amendments which we are now proposing, Mr. Chairman, will of course involve a considerable additional expenditure; but the government is convinced that the people of Canada are aware of this and that none will begrudge the extra expenditure on behalf of our senior citizens. Last month, September, 1957, our old age security case load totalled approximately 817,000. Consequently, over the next year or so the additional cost of the $9 monthly increase for these 817,000 beneficiaries would be in excess of $88 million a year. But, as everyone knows, our old age security case load is not remaining static. It is increasing by 2,000 to 2,500 each month, and this increase will continue during the months ahead.

In addition, the reduction in the residence requirements is expected to add another 5,000 to 10,000 beneficiaries, persons who now have ten years or more residence in Canada but lack the full 20 years presently required. The additional numbers thus brought on the rolls, either because of natural growth or because of the changes in the residence requirement, will mean that for the fiscal year 1958-59 we will have to count on an average monthly case load of 855,000 and, consequently, an annual cost of $564 million.

So far as the changes presently before the house are concerned, it is estimated that the additional annual cost resulting from their approval will amount to about $96 million in the first full year made up as follows: Increase in pension rate to $55, 92 million; reduction in residence period, $3.5 million; extension of period of permissible absence, possibly half a million dollars, or a total of $96 million.

With these explanations, Mr. Chairman, I believe that I have given the house an adequate explanation of the changes which we propose to ask for in the bill when it is brought down, the reason for these changes and the additional cost involved. I intend to make a further statement when we reach the stage of second reading of the bill, but I hope the house will now agree to passage of the resolution so we can proceed to discuss any questions which may present themselves with the actual text of the bill before us.

May I call it ten o'clock?

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask the leader what the business is for tomorrow?

Mr. Green: Tomorrow, we intend to commence with second reading of the bill to provide for cash advances on farm-stored grain; then take the resolution which has just been commenced this evening, and following that the other three resolutions in the name of the Minister of National Health and Welfare. Should we get all those through, we will then go back to the throne speech debate.

Mr. Chevrier: I wonder if the minister would not give consideration to this point: We have not received the bill that is now

before us for second reading, and we probably will not have it until eleven o'clock tomorrow morning. I do not believe, therefore, it is quite fair for our members who have not seen it to be asked to discuss it. My suggestion is that we go on with the resolution which the Minister of National Health and Welfare has begun, discuss it, and then perhaps later we can take the other.

Mr. Green: We will try to have the bill available early in the morning. If that is not possible, then we would commence with the resolution dealing with old age security.

Mr. Chevrier: If we did have the bill available early in the morning I do not think it would give us an opportunity to consider it sufficiently in order to come here at eleven o'clock and discuss it. This situation has arisen from time to time before and requests have been made by the opposition; most of the time they were granted.

Mr. Argue: On this point, I may say I feel the house should be prepared to go ahead with the bill in question at eleven o'clock. We had a statement from the minister which outlined the main principles of the bill, and we shall have the bill, according to the Minister of Public Works, early in the morning. We can then look at the details. The discussion of principle, I am sure, will take some hours at the second reading stage and so far as the details are concerned the hon. member will have ample time to digest the clauses of the bill by the time we reach them.

Mr. Diefenbaker: I do not want to do anything or suggest anything that will cause a lack of full discussion in regard to the bill. I was very anxious, if it could have been expedited, because of the approach of November 1 to have it passed for this time after reasonable consideration. But if in the view of members of the opposition they will not be in a position tomorrow to discuss it properly, then of course naturally it will have to be fixed for a later date.

Mr. Chevrier: The request is not an unreasonable one, having regard to the consideration that was given to the legislation today. I think it is only reasonable that we be allowed to look at it, and perhaps it may be possible for me to tell the leader later on in the day that the time has arrived when we can discuss it. But our people would like to see it in order to be prepared for it when the discussion takes place.

Mr. Green: We would want to reserve the right to go ahead with that bill later in the day tomorrow, in any event.

An hon. Member: Oh, yes.

It being ten minutes after ten 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:

MUNICIPAL IMPROVEMENTS ASSISTANCE ACT

Question No. 5—**Mr. Irwin:**

1. Has section 8 of chapter 180, R.S. Canada, 1952, Municipal Improvements Assistance Act, 1938, been invoked?
2. If so, on what date?
3. How many applications have been received from municipalities under this act since 1940?
4. How many applications prior to 1940?

Answer by: **Hon. Donald M. Fleming (Minister of Finance):**

1. The power of the governor in council under section 8 of chapter 183, R.S. Canada, 1952, to fix and determine a date after which no loans should be made to any municipality under the act, has not been invoked.

2. See answer to No. 1.

3. As loans were discontinued after December 31, 1940, no applications have since been entertained.

4. 143 applications were received, of which 110 were approved for loans.

QUEBEC-ONTARIO BOUNDARY LINE, LAKE ST. FRANCIS

Question No. 23—**Mr. Chevrier:**

1. Is the government aware that the boundary line between Ontario and Quebec on lake St. Francis has never been settled?

Questions

2. When was the last survey of this line made?
3. Has any progress toward settlement been made since then?
4. Will the government attempt to bring about a settlement of this old and vexatious question?

Answer by: **Hon. Paul Comtois (Minister of Mines and Technical Surveys):**

1. Yes.

2. We have no official information.

3. We have not been informed of any progress achieved.

4. It is considered that the government of Canada has no jurisdiction in this matter and that settlement is a matter of arrangement between the governments of Ontario and Quebec. The matter was brought to the attention of the two provinces a few years ago by the Department of Mines and Technical Surveys. The government of Canada will be pleased to assist if requested by both provinces.

PRINCE RUPERT, B.C.—OFFICE SPACE RENTALS

Question No. 34—**Mr. Howard:**

1. Is any rent being paid for the use of buildings or office space in the city of Prince Rupert, British Columbia?
2. If so, (a) for which department and for what purpose are the premises being used; (b) what is the amount of rent being paid by each department and for what unit of time; (c) how much has been paid to date for rent; (d) whom are the respective premises being rented from?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. Yes.
2. Premises leased by the Department of Public Works at Prince Rupert, B.C.:

(a)		(b)		(c)	(d)
Premises	Occupants	(i) Present Annual Rental	(ii) Originally Leased	Total Rental Paid to 30-9-57	Lessors
Besner block, Third avenue and Third street.	Immigration Inspector, Department of Citizenship and Immigration. (Two offices)	$900.00 (monthly lease)	July 16, 1946	$ 8,765.80	Rosina Besner
Besner block, Third avenue and Third street.	Marine agency, Department of Transport. (Four offices)	$1,920.00 (monthly lease)	Dec. 1, 1947	$17,865.00	Rosina Besner
Besner block, Third avenue and Third street.	Department of Transport..... (One office)	$480.00 (monthly lease)	Dec. 15, 1949	$ 3,740.00	Rosina Besner
Wallace block, 305 Fulton street...	Department of Fisheries..... (Three offices)	$2,040.00 (three years' lease from April 3, 1956)	April 3, 1956	$ 3,048.66	L. M. Felsenthal
Exchange building, Third avenue.	Unemployment Insurance Commission. (Space on ground floor)	$3,600.00 (five years' lease from May 1, 1953)	May 1, 1944	$42,600.00	Messrs. Killas and Christopher

HARBOUR EXPENDITURES, FORT WILLIAM AND PORT ARTHUR

Question No. 36—**Mr. Fisher:**

1. How much of the money in the 1957-58 estimates allocated for harbour work of various kinds at Fort William and Port Arthur has been spent?

2. On what phases of harbour work has it been spent?

3. Is any money specifically allocated for any work during the late fall and winter season?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. Fort William—$426,577.89 to date. Port Arthur—$242,458.87 to date.

2. Dredging.

3. Yes, $423,500.00 at Fort William and $100,000.00 at Port Arthur.

TRADE COMMISSIONERS

Question No. 39—**Mr. McGregor:**

1. In what countries does Canada maintain trade commissions?

2. With respect to each country what is (i) the number of (a) trade commissioners; (b) other employees; (ii) the cost of such trade commissions for (a) salaries; (b) other costs?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

Question 1		Question 2		Question 2	
		i (a)	i (b)	ii (a)	ii (b)
Country	Post	Number of Trade Commissioners March 31/57	Number of Other Staff March 31/57	Total Salaries 1956-1957	Other Costs 1956-1957
				$	$
Argentina	Buenos Aires	2	7	23,162	16,567
Australia	Sydney	2	8	26,129	20,234
	Melbourne	1	5	15,771	12,853
Belgian Congo	Leopoldville	1	3	14,197	22,200
Belgium	Brussels	3	9	33,775	25,142
Brazil	Rio de Janeiro	2	5	22,337	35,077
	Sao Paulo	2	6	13,650	25,206
Ceylon	Colombo	1	3	1,412	165
Chile	Santiago	1	5	11,940	10,935
Colombia	Bogota	2	6	36,965	15,805
Cuba	Havana	1	5	24,013	19,534
Denmark	Copenhagen	1	3	13,468	10,808
Dominican Republic	Ciudad Trujillo	1	5	23,341	15,309
Egypt	Cairo	1	8	29,634	13,155
France	Paris	3	10	38,577	49,923
Germany	Bonn	3	10	34,556	48,932
	Hamburg	1	5	2,876	34,441
Greece	Athens	1	5	18,571	16,543
Guatemala	Guatemala City	2	5	19,545	31,709
Hong Kong	Hong Kong	2	7	22,246	26,861
India	New Delhi	2	6	12,008	13,894
	Bombay	2	6	11,527	19,375
Indonesia	Djakarta	1	4	14,980	14,803
Ireland	Dublin	1	4	14,086	7,924
Italy	Rome	3	8	40,323	33,764
Jamaica	Kingston	1	6	15,589	15,764
Japan	Tokyo	2	8	12,315	38,407
Lebanon	Beirut	1	5	17,173	17,409
Mexico	Mexico City	2	7	27,788	18,787
Netherlands	The Hague	2	7	28,957	33,873
New Zealand	Wellington	2	4	12,652	17,324
Norway	Oslo	1	5	26,638	11,723
Pakistan	Karachi	2	8	13,342	25,490
Peru	Lima	1	6	15,148	20,004
Philippines	Manila	2	5	24,910	33,586
Portugal	Lisbon	1	4	12,240	12,108
Rhodesia and Nyasaland	Salisbury	1	4	7,428	12,262
Singapore	Singapore	2	6	27,538	26,330
South Africa	Johannesburg	2	6	19,037	21,807
	Cape Town	1	5	13,702	13,090
Spain	Madrid	1	4	19,001	13,305
Sweden	Stockholm	1	4	15,343	17,954
Switzerland	Berne	2	5	18,714	25,068
Trinidad	Port-of-Spain	2	6	16,210	20,897
United Kingdom	London	4	19	71,905	45,667
	Liverpool	—	3	6,767	3,158
	Belfast	—	1	2,387	576

Questions

Question 1		Question 2		Question 2	
		i (a)	i (b)	ii (a)	ii (b)
Country	Post	Number of Trade Commissioners March 31/57	Number of Other Staff March 31/57	Total Salaries 1956-1957	Other Costs 1956-1957
				$	$
United States	Washington	4	7	58,835	38,299
	New York	3	9	59,610	49,589
	Boston	1	3	12,172	10,859
	Chicago	2	7	42,224	30,585
	Detroit	2	7	35,924	29,441
	New Orleans	1	2	20,413	11,192
Uruguay	Montevideo	1	4	13,338	11,298
Venezuela	Caracas	3	8	55,702	65,514

MARINE RAILWAY, N.B.

Question No. 42—**Mr. Robichaud:**

1. Has the Minister of Public Works received any official representations or requests from the government of the province of New Brunswick, since June 10, 1957, requesting financial assistance for the construction of a marine railway or haul-up at Caraquet or Shippegan, Gloucester county, New Brunswick?
2. If so, has any decision been reached in this regard?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. No.
2. Answered by No. 1.

RESTIGOUCHE RIVER BRIDGE

Question No. 45—**Mr. Robichaud:**

1. Has the government given its approval to the spending of $1,400,000, plus one-third of any additional cost, for the construction of a bridge across the Restigouche river from Campbellton, New Brunswick, to Cross Point, Quebec?
2. If so, on what date was the order in council passed to that effect?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. No. The Minister of Public Works has written to the provincial governments of Quebec and New Brunswick setting out a proposal for the construction of this interprovincial structure. Under the terms of the proposal, Canada would contribute $1,400,000 in lieu of providing the present maintenance of wharves and dredging which it undertakes to provide for vehicular crossing. The remainder of the cost would be divided equally between the three governments with the provinces being responsible for providing the highway approaches. To date, a reply has been received from the provincial government of New Brunswick agreeing in principle, but there has been no word from the provincial government of Quebec.

2. There has been no order in council, as agreement in principle to the above by the three parties is required.

FEDERAL PUBLIC BUILDING, NEWCASTLE, N.B.

Question No. 46—**Mr. McWilliam:**

1. Did the Minister of Public Works receive representations from the town council of the town of Newcastle, New Brunswick, with respect to a change in the site and size of the federal public building now being erected in that town?
2. If so, what decision was reached and on what basis was the decision arrived at?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. Yes.

2. Regarding the site, the department agreed to set back the building 10 feet to meet traffic problems on the understanding that the town would provide an equivalent strip to the rear of the site. Regarding the size of the building, it was possible to show town officials that the space provided was sufficient for the needs of the various occupying departments. There is also room on the site to extend the building if the need arises.

GEOLOGICAL SURVEY—PUBLICATIONS OUT OF PRINT

Question No. 52—**Mr. Fisher:**

1. Is there available for public purchase a list of the publications of the geological survey indicating which publications are out of print?
2. If not, is such a list under consideration at the present time?

Answer by: **Hon. Paul Comtois (Minister of Mines and Technical Surveys):**

1. Yes.
2. Answered by No. 1.

AIRCRAFT EXPORTS TO CZECHOSLOVAKIA

Question No. 54—**Mr. Regier:**

1. Have any Canadian made aircraft been exported to Czechoslovakia in 1957? If so, how many, what kind, and of what value?
2. Is an export permit necessary for exports referred to in the above question?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1. No Canadian made aircraft have been exported to Czechoslovakia during 1957.
2. An export permit is required.

HOUSE OF COMMONS

Friday, October 25, 1957

The house met at eleven o'clock.

FINANCE

TABLING OF REPORTS OF TARIFF BOARD

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I should like to table copies, in English and in French, of four reports that have been submitted by the tariff board. The reports in question are as follows: reference No. 118, basic iron and steel products; reference No. 119, pipes and tubes of iron or steel; reference No. 121, waterproof footwear and rubber-soled canvas footwear; reference No. 122, zinc and zinc products. Three of the reports were submitted some time ago to my predecessor and were released by him for public distribution in June of this year. I am now tabling these reports and also transcripts of the evidence taken at the public hearings of the board, pursuant to section 6 of the Tariff Board Act. I am tabling also a report, and the transcript of evidence, relating to zinc and zinc products which was submitted to me by the chairman of the tariff board earlier this week.

I should like to comment briefly on each of these reports at this time and to indicate how the government proposes to deal with them. I hope my remarks will provide an answer to the question asked two days ago by the hon. member for Springfield (Mr. Schulz) and to similar questions which may be in the minds of other hon. members.

I wish to refer first to the reference relating to basic iron and steel products. In this very broad and important reference the board's inquiries related to some 113 existing tariff classifications. Of this total the board considered that 21 items were not in need of revision. It recommended that the remaining 92 items be reduced in number to 38. In detailed explanatory notes included in its report the board has furnished information which permits comparisons between the existing rates and the proposed rates of duty.

The effect of the board's recommendation is that some rates are increased while others are decreased. They are designed to provide what the tariff board considered, on the basis of the evidence presented to it, to be adequate protection where it is required.

With regard to the wording and arrangement of the proposed tariff items, the most striking change from the present situation is the substantial simplification of the iron and steel schedule accomplished by the elimination of numerous special purpose items, and the consolidation of the remaining items into four major groups relating to plate, structurals, bars and sheet and strip respectively.

The tariff board's recommendations on pipes and tubes are also intended to bring up to date and simplify a section of the tariff which has become out of date. These recommendations, like those affecting basic iron and steel, involve reductions in some rates and increases in others. The board's terms of reference contemplated recommendations which would modernize the pipes and tubes schedule. The board's recommendations are, I believe, consistent with its terms of reference.

I wish to refer next to the report which has just been received, that on zinc and zinc products, as the situation with regard to these items is much like the situation with regard to the iron and steel items. In this reference the board was instructed to investigate and make recommendations regarding alleged anomalies in the existing tariff structure, having regard to the obligations and procedures of the general agreement on tariffs and trade. The board found that anomalies did exist, and it recommended changes to remove them. As in the case of the other reports to which I have referred, these changes involve some increases in rates of duty and also some decreases.

A review of the three reports to which I have referred leads to the conclusion that the proposed increases and decreases are broadly in balance, and that the recommendations taken together constitute what might be called a negotiable package. I would emphasize, however, that it is a package which requires negotiation with other countries and on which we could not, in view of existing international obligations, take unilateral action without giving other countries rights to withdraw concessions of value to Canadian exporters. The government is taking advantage of the present GATT negotiations in Geneva to undertake such negotiations.

I believe hon. members will be interested in some aspects of the negotiations. First, the

lists of the bound items which Canada is seeking to modify have been notified to other contracting parties and in some instances have been made public by them. There is no objection to this on our part. It does not necessarily follow, however, that the giving of notice of our desire to negotiate a particular item indicates an intention to raise the rate of duty thereon. Frequently the reverse will be the case, as when two or more existing classifications are to be combined under circumstances where the proposed new rate is lower than the average of the existing rates. In other instances what is involved may be merely a change in wording. I hope this will answer questions that have been asked and will also serve to clear up any possible misconceptions.

Second, the negotiations at Geneva will necessarily be conducted in private, and they will be conducted in so far as Canada is concerned with careful reference to the tariff board's recommendations. However, I should emphasize at this time that what ultimately emerges should be expected to differ in some respects from these recommendations. This will be the case not only because of the give and take that necessarily occurs in any such negotiations, but also because the government will wish in some instances to take account of the new developments affecting individual tariff items. After the negotiations are concluded, it would be the intention of the government to introduce in parliament at an appropriate time the tariff changes which the government considers to be desirable.

I would like to refer briefly to the fourth report which I am tabling today, namely that on waterproof footwear and rubber soled canvas footwear, reference No. 121. As hon. members will have noted, in making this reference to the tariff board my predecessor did not ask for recommendations. Accordingly none were made by the board in this report. However, on studying the report which is being tabled today I came to the conclusion that it might be useful to have the board prepare a supplementary report on this reference, including therein any recommendations which the board might deem warranted regarding the retention or modification of the present duties. This supplementary report has not yet been received; when it is it will be tabled in accordance with the provisions of the Tariff Board Act.

Hon. James Sinclair (Coast-Capilano): Mr. Speaker, I wonder if I might ask a supplementary question of the minister. Does the minister not feel it rather anomalous at the present time to be recommending tariff increases on steel wares and on tubes which will have the effect, of course, of making it more difficult for the British to sell their products in Canada, at a time when his leader is advocating a 15 per cent increase in purchases of goods from British sources?

Mr. Fleming: Perhaps the hon. gentleman would tell the house, then, why the government of which he was a member directed this reference to the board in the first place. Was it just intended to be an empty gesture and to waste the board's time?

Mr. Sinclair: Since I have been asked I will be very happy to answer that question, Mr. Speaker. The reference to the tariff board was made in accordance with the laws of Canada, but the government is under no obligation to accept the recommendations of the tariff board for raising tariffs, as this government appears to have done.

Mr. M. J. Coldwell (Rosetown-Biggar): These items may form the basis of agreement with other countries joining the Geneva convention on tariffs and trade. Would that not imply that if the negotiations were successful the government is prepared to carry out the results of those negotiations? It seems to me that this is such an important matter that the whole question should be discussed in parliament, because it appears that we may be obligating ourselves to tariff adjustments of which many of us would not approve. Increases in tariffs at this time I think are against the public interest.

Mr. Fleming: I think the hon. member is under a misapprehension, and may not have followed too closely the statement I gave to the house. The reports of the tariff board should not be regarded and should not be represented as reports the net effect of which is going to be increases in tariffs. The board has reviewed a great number of items in portions of the tariff which are very old and which the board found in many respects to be obsolete and, as I have indicated, what the board has recommended is a group of changes in the tariff in which there are as many decreases as increases.

These are bound items, that is to say bound against increase by our existing international obligations; and of course before the government can consider any submissions to parliament we have to negotiate with other countries to see where they stand on these matters. That is what will be carried out in the course of the next two months at Geneva and it will necessarily have to be in the light of those negotiations that the particular proposals which the government will be submitting to the house thereafter will be framed.

[*Later:*]

On the orders of the day:

Mr. Jacob Schulz (Springfield): Mr. Speaker, may I address a supplementary question to the Minister of Finance regarding the answer he gave in reply to a question by the hon. member for Coast-Capilano (Mr. Sinclair). How many items have been referred to the tariff board since this present government took office?

Mr. Fleming: Mr. Speaker, we directed a reference to the tariff board on fluorspar, a reference as to the textile items in the tariff, and we sent back to the tariff board for recommendations a matter on which they had already made a report on the instructions of the former minister of finance, on the subject of rubber and canvas footwear. There are other references standing on the docket of the board which were directed to them by the former minister of finance.

[*Later:*]

INQUIRY AS TO TABLING OF REPORT ON FLUORSPAR

On the orders of the day:

Mr. C. W. Carter (Burin-Burgeo): I should like to direct a question to the Minister of Finance arising out of the reports which he tabled this morning. Is the tariff board preparing a similar report on raw and semi-processed fluorspar? If so, when will such report likely be tabled?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, about a month ago I referred this item to the tariff board and requested an inquiry and report, but I understand that the board has not yet been able to commence the inquiry. They still have quite a bit of work on hand, and I am not in a position to answer the second part of my hon. friend's question.

MOTIONS FOR PAPERS

Mr. Speaker: In accordance with the understanding accepted by the house yesterday, I now call notices of motions for the production of papers, which will be found at pages 8 and 9 of the routine proceedings.

CANDIDATES' ELECTION EXPENDITURES, 1957

Motion No. 1—**Mr. Knowles (Winnipeg North Centre):**

For a return showing the total amount of election expenses on behalf of each candidate, by constituencies, in the general election of June 10, 1957, as indicated in the return respecting election expenses submitted by the official agent of each candidate, as required under the provisions of section 63 of the Canada Elections Act; and showing also the names of any candidates, by constituencies, on whose behalf election expense returns have not been submitted.

Motion agreed to.

HOSPITAL INSURANCE

Motion No. 2—**Mr. Martin (Essex East):**

For a copy of all correspondence, telegrams and other documents exchanged between the federal government and the provinces of Canada since June 10, 1957, in respect of matters having to do with the hospital insurance act, enacted by parliament on April 10, 1957.

Motion agreed to.

P.F.A.A. APPOINTMENTS, MACKENZIE CONSTITUENCY

Motion No. 3—**Mr. Nicholson:**

For a copy of all letters and telegrams exchanged to date, during the year 1957, between persons residing in the Mackenzie federal constituency and the Minister of Agriculture regarding the appointment of persons under the Prairie Farm Assistance Act.

Mr. Harkness: I would ask that the motion stand.

Motion stands.

COAL—SUBVENTION PAYMENTS, CROWSNEST PASS AREA

Motion No. 4—**Mr. Hansell:**

For a copy of all correspondence, telegrams, and other documents exchanged between the government, the dominion coal board or any other government branch, and any person, firm or corporation, over the past two years in respect to any possible increase in subventions for the movement of coal from the Crowsnest pass area to any other part of Canada or foreign country.

COAL—EXPORTS TO JAPAN

Motion No. 5—**Mr. Hansell:**

For a copy of all correspondence, telegrams, and other documents exchanged during the past year, between the government, the dominion coal board or any other government branch, and any person, firm or corporation in respect to any possible sale and export of coal to Japan.

He said: Mr. Speaker, in respect to motions Nos. 4 and 5 standing in my name, since I placed these on the order paper I have been able to talk with some of the officials of the government and I believe I have the information which I required. I would ask, therefore, that these two motions be dropped.

Mr. Speaker: Is it the pleasure of the house that these two motions be dropped?

Some hon. Members: Agreed.

Motions dropped.

POST OFFICE DEPARTMENT—TRANSPORTATION ORDER 107

Motion No. 6—**Mr. McIlraith:**

For a copy of transportation order No. 107 of the district director of postal services, dated August 7, 1957, and sent by the Post Office Department to mail contractors throughout Canada.

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, I wonder if the hon. member would permit this motion to stand.

Motion stands.

DRUMMONDVILLE, QUE., AIRPORT

Motion No. 7—**Mr. Boulanger:**

For a copy of all correspondence and other documents exchanged between the city of Drummondville, Quebec, and the Minister of Transport, during the last six months relative to the building of an airport in that city.

Motion agreed to.

STARRED QUESTIONS

RUBBER FOOTWEAR—SUBMISSIONS TO GOVERNMENT

Question No. 1—**Mr. Martin (Essex East):**

1. Has the government received any submission from any individual or group in respect of the Canadian rubber footwear companies since June 10, 1957?
2. If so, will the government indicate if included in these representations are representations from any Canadian labour organizations, or from any corporations engaged in the fabrication of rubber footwear?
3. What steps are being taken by the government to give effect to any representations that have been made?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, with regard to the first question—has the government received any submission from any individual or group in respect of the Canadian rubber footwear companies since June 10, 1957,—the answer from June 21, 1957, is yes.

The second part of the question reads:

Will the government indicate if included in these representations are representations from any Canadian labour organizations, or from any corporations engaged in the fabrication of rubber footwear.

The answer is that on August 28, 1957, the Minister of Finance received a joint submission by the Canadian rubber footwear companies and the Canadian Labour Congress. This submission was signed by officers of certain corporations engaged in the fabrication of rubber footwear and also by officers of the Canadian Labour Congress.

The third question was:

What steps are being taken by the government to give effect to any representations that have been made?

The answer is that government policy will be announced in due course.

EXCISE TAX ON AUTOMOBILES

Question No. 2—**Mr. Martin (Essex East):**

1. Has the government received any representations from any group or individual in Canada for the elimination of the excise tax on automobiles?

[Mr. McIlraith.]

2. If this tax is eliminated, will steps be taken to see that the reduction is passed on to the consumer?
3. Is the government aware of any serious unemployment problem confronting the automobile industry?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the answer to the first question is yes.

The second must be a hypothetical question until government policy is announced, but I am sure that any administration that proposed a reduction in such a tax would wish to see that so far as government action can assure it the benefit of the reduction would be passed on to the Canadian consumer.

Mr. Martin (Essex East): That was announced in the election campaign.

Mr. Fleming: The answer to the third question is that there is not a serious unemployment problem. I am told there has been some delay on the part of the public in buying in this new season and on the part of the dealers in taking deliveries from the industry.

Mr. Coldwell: May I ask what has been the result of that delay?

Mr. Fleming: No unemployment as yet, but if there were a continued holding back on the part of the public in purchasing the new models for the new season, then at some later point this fall unemployment could result.

Hon. Paul Martin (Essex East): Is my hon. friend not aware of the fact that in the automobile industry in my community there are more men out of work now than there were on June 21, and does my hon. friend not think it is a mistake to blame the public for the policies of this government?

Mr. Fleming: Mr. Speaker, I will not blame the public at all, but I will blame the hon. gentleman for a palpable violation of the rules of the house.

An hon. Member: Do you want him to walk out?

HOSPITAL INSURANCE

Question No. 3—**Mr. Martin (Essex East):**

1. Have agreements been signed between the federal government and any one of the following provinces: British Columbia, Saskatchewan, Alberta, Ontario, Newfoundland and Prince Edward Island, pursuant to the Hospital Insurance Act passed in the last session of parliament?
2. What negotiations have taken place since June 10, 1957, between the federal government and the provinces in the matter of providing for hospital insurance and diagnostic services?
3. What steps have been taken by the federal government since June 10 last to obtain an agreement for hospital insurance in the provinces of Quebec, Manitoba, Nova Scotia and New Brunswick?

4. Has the federal government taken any steps with the province of Ontario towards the implementation of hospital insurance in that province prior to January 1, 1959?

5. Has the government received any representations from any province for a general conference in the matter of hospital insurance?

6. If so, what reply has been given by the federal government?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, the answer to the first question is no.

The answer to the second question is that continuing consultations are being held between officials of the Department of National Health and Welfare and their provincial counterparts.

In answer to the third question, I wish to advise the house that officials of the Department of National Health and Welfare have been constantly available for discussions with the provinces interested in obtaining information on the hospital insurance program and visits have been made by them to Manitoba, Nova Scotia and New Brunswick.

The answer to the fourth question is that officers of the Department of National Health and Welfare are having continuous discussions with their provincial counterparts and assisting in every way possible with further steps for the implementation of this program.

The reply to the fifth question is yes; and with regard to the sixth question I would advise that this matter is certainly under intensive consideration, as I mentioned earlier.

Mr. Martin (Essex East): Mr. Speaker, may I ask the hon. gentleman a supplementary question.

Mr. Speaker: Order. I think hon. members would do well to bear in mind that there will be an opportunity for raising such questions on orders of the day, and it is not the practice to ask supplementary questions during the starred question period.

Mr. Martin (Essex East): Quite correct, Mr. Speaker.

ST. LAWRENCE SEAWAY HARBOURS

Question No. 4—**Mr. Chevrier:**

1. Has the government any plans for the development of ports and harbours along the route of the seaway?

2. What is being done at the port of Montreal? Are the plans as announced by the former administration being carried out? What plans are being evolved for the development of the south shore?

3. Is this area to be taken over by the national harbours board? Are port facilities to be erected here for the expected increase in volume of trade?

4. What is being done at the port of Trois-Rivieres?

5. Is consideration being given to the construction of additional wharves and warehouses?

6. Will the national harbours board provide cargo handling equipment at the port for vertical hatch loading and unloading, extra space on existing wharves and new docks?

7. Is consideration being given to the construction of a grain elevator here?

8. What is being done at the port of Sorel?

9. Will the national harbours board provide cargo handling equipment at the port for vertical hatch loading and unloading, extra space on existing wharves and new docks?

10. Are port facilities in this area considered adequate for seaway traffic?

VICTORIA BRIDGE, MONTREAL-ST. LAMBERT

Question No. 5—**Mr. Chevrier:**

1. What was the cost of the Victoria bridge between Montreal and St. Lambert?

2. What are the operating costs, operating expenses and profit and loss position in the last 25 years?

3. What amount of tolls were collected on this bridge in the last 10 years?

4. Will tolls be abolished on this bridge?

JACQUES CARTIER BRIDGE, MONTREAL-LONGUEUIL

Question No. 6—**Mr. Chevrier:**

1. What was the cost of the Jacques Cartier bridge between Montreal and Longueuil?

2. What are the operating costs, operating expenses and profit and loss position in the last 10 years?

3. Did the city of Montreal pay its share of the deficit in accordance with its tripartite agreement?

4. Did the province of Quebec pay its share of the deficit in accordance with its tripartite agreement?

5. Does the government intend to do anything about this?

6. What amount of tolls has been collected on this bridge since the beginning?

7. Does the government propose to abolish tolls on the Jacques Cartier bridge?

Hon. George H. Hees (Minister of Transport): These three questions are rather extensive and require detailed answers. These answers are being prepared at the present time by the national harbours board and the seaway authority. I expect to have the answers when the questions are next called.

Mr. Chevrier: May I draw the hon. member's attention to the fact that several of these questions concern the Minister of Public Works, and not himself?

Mr. Hees: That is one of the reasons why it is taking quite some time.

Mr. Green: Mr. Speaker, my colleague is very bright this morning; this is an excellent example of passing the buck.

Mr. Speaker: Stand.

Questions stand.

TELEPHONE CABLE, U.K.-CANADA

Question No. 7—**Mr. Marler:**

1. Has an agreement been entered into with the United Kingdom for the construction of a new telephone cable between Canada and the United Kingdom?

2. If no such agreement has been entered into, what steps have been taken to provide additional telephone cable facilities between Canada and the United Kingdom?

Questions

Hon. George H. Hees (Minister of Transport): If I may proceed to answer this question, the answer to parts 1 and 2 is that no agreement with the United Kingdom for the construction of a new trans-Atlantic telephone cable has as yet been completed, but the project has been approved by both the Canadian and United Kingdom governments and negotiations for conclusion of the agreement, as well as the technical planning for the cable itself, are proceeding in a satisfactory fashion.

PIPE LINE CONSTRUCTION, NORTHERN ONTARIO—LABOUR TURNOVER

Question No. 8—**Mr. Fisher:**

1. What has been the total labour turnover for each of the four contractors' spreads on the natural gas pipe line west of Port Arthur in the period to October 1, 1957?
2. What was the average number of men on each spread for each month from April to October, 1957?
3. What percentage of the labour force on each spread was American for each of these months?
4. How many of the men who separated from the job on each spread were fired?
5. What percentage of the Americans working on this section of the pipe line were in this country under a six months' permit?

PENRYN SECURITIES—OFFICERS

Question No. 9—**Mr. Fisher:**

1. Did the president of Atomic Energy of Canada Limited ever hold any position with Penryn Securities Company or with Penryn Holding Company?
2. Who are the present officers of this company?
3. If the president of Atomic Energy of Canada Limited held any office in these companies, what were the dates of such tenure?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I alone am responsible for these two questions. The answers are being prepared and will be ready, I think, the next time questions are dealt with.

Mr. Speaker: Stand.

Questions stand.

SOVIET EARTH SATELLITE

Question No. 10—**Mr. Stewart (Winnipeg North):**

1. Has the earth satellite been fired in accordance with any agreement arrived at during the international geophysical year?
2. Is the soviet earth satellite infringing on the air space above Canada?
3. How far vertically does the sovereignty of Canada extend?

Right Hon. J. G. Diefenbaker (Prime Minister): I think the hon. gentleman will allow this question to stand.

Mr. Speaker: Stand.

Question stands.

[Mr. Marler.]

HOUSING LOANS AND STARTS BY PROVINCES

Question No. 11—**Mr. Johnston (Bow River):**

1. How much of the $150,000,000 which was made available for housing has been actually loaned out to each of the provinces?
2. How many housing starts since the $150,000,000 was made available for housing have taken place in each of the provinces, classified according to types and cost?

Hon. Howard C. Green (Minister of Public Works): The answer to the first part of the question is as follows: The schedule of approvals of agency loans as at October 18, 1957, is as follows: Newfoundland, none; Prince Edward Island, none; Nova Scotia, loans, 21, units, 26, amount, $220,831.86; New Brunswick, loans, 24, units, 24, amount, $209,-925.59. I might point out that the results in the Atlantic provinces indicate that the people in those provinces have not as yet been taking advantage of this plan. Quebec, loans, 636, units, 696, amount, $6,841,629.23; Ontario, loans, 2,380, units, 3,059, amount, $30,837,-902.79; Manitoba, loans, 254, units, 254, amount, $2,327,846.76; Saskatchewan, loans, 74, units, 74, amount, $659,366.71; Alberta—which is very good—loans, 736, units, 763, amount, $7,202,995.97 British Columbia,—where again there has been some lag—loans, 110, units, 150, amount, $1,292,306.63. The total loans, and this is as of October 18, were 4,235; total units, 5,046, and the total amount, $49,592,805.54.

In addition to those actual loans, as of October 18 there was an apparent additional potential of $63,300,000, which comprised requests for loans and requests for approval in the office of Central Mortgage and Housing Corporation and applications still in the hands of the approved lenders. This indicates a total being earmarked of over $112 million, which means, of course, that there is not a great deal left. The Atlantic provinces and British Columbia, if they continue to remain behind, are apt to suffer as a result.

The answer to the second part is that the schedule of housing starts of agency loans as at September 30—we do not have these figures of starts as of October 18; the latest report I have is September 30—and it is as follows: Ontario, 17; average cost $13,409, totalling $227,952. These figures apply only to bungalows. For Alberta the figures are 12 starts; average cost $12,500, for a total of $150,000. The total of units is 29, the average cost is $13,033 for the whole 29, and a total cost of $377,952. As of that time there were no starts reported for the other provinces and bungalows were the only type of house reported. I would point out also

that the builders have 90 days in which to commence construction after they have obtained loans.

R.M.C. LIBRARY ADMINISTRATION BUILDING, KINGSTON

Question No. 12—**Mr. Fisher:**

1. What was the proposed cost of the library administration building planned for Royal Military College, Kingston?
2. Has a decision been taken to either (a) postpone this building; or (b) cancel construction plans completely?

Hon. G. R. Pearkes (Minister of National Defence): The answer to the first part is that the original estimate was $1,258,000. The second part is answered as follows. We are awaiting plans and specifications for this building which, I am informed, are now nearing completion. When those are received and have been studied a decision will be made in these respects.

TRADE

MISSION TO CHINA—PRESS COVERAGE

On the orders of the day:

Hon. James Sinclair (Coast-Capilano): I should like to direct a question to the Minister of Trade and Commerce in connection with the proposed Canadian trade delegation to China—

Hon. Gordon Churchill (Minister of Trade and Commerce): I said I would make a full statement on this in due course. That statement is being prepared.

Mr. Sinclair: I am not questioning the composition of the delegation. I may say I have a special interest in this question because of my own unfortunate experience with the Chinese.

Mr. Churchill: I have already said I would make a full statement on this at a later date.

Mr. Chevrier: On a point of order, Mr. Speaker, because the minister is going to make a statement, that does not preclude an hon. member from asking a question.

Mr. Bell (Saint John-Albert): He is not asking a question.

Mr. Sinclair: All right, I will. When this Canadian trade delegation make this trip, will they be accompanied by Canadian press representatives who may wish to accompany them? Will provision be made for any Canadian reporters who wish to accompany them?

Mr. Churchill: I follow the hon. member's question. He does not need to repeat it. Will the hon. gentleman restrain his impatience and wait for the statement?

Mr. Sinclair: I think this is very important for the press people to know. I should like to ask another question on this.

Mr. Speaker: Order. Another question, yes; but the hon. member will appreciate that he cannot compel the minister to answer further. If he wishes to ask, I will permit another question.

Mr. Sinclair: Does the minister not feel it extraordinarily important for the Canadian people to have reports from our reporters, because that was the only way they got accurate information on the trade conferences at Mont Tremblant and Washington?

Mr. Churchill: I think it is extraordinarily important that the hon. member for Coast-Capilano is making a mockery of the question period in the House of Commons.

Mr. Gauthier (Portneuf): What did you do yourself when you were on this side?

GATT—INQUIRY AS TO CURRENT MEETING AT GENEVA

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 Finance arising out of his statement earlier today when he tabled four reports of the tariff board. My question is whether or not there has been a decision by the government to send ministerial representation to the negotiations at Geneva. If such a decision has been taken, what is the decision; and if ministers are being sent, what ministers will represent Canada at these negotiations?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the Canadian delegation to the GATT negotiations at Geneva will be headed by my colleague the Minister of Trade and Commerce. He, of course, will not be able to remain there throughout the entire period of negotiations. My hon. friend is aware that it has been customary in the past for ministers heading delegations of that kind to remain for the first few days of the conference, and then turn over the extended work of negotiation to the other members of the delegation.

INQUIRY AS TO DISCUSSIONS WITH PRIME MINISTER OF UNITED KINGDOM

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I wonder whether the Prime Minister can inform the house if he proposes to take advantage of the presence tonight and tomorrow of the British Prime Minister to discuss with

the latter a proposal which the Canadian Prime Minister first made in this country for a diversion of Canadian purchases from one friendly country to another. Would he also say whether he proposes to discuss with the British Prime Minister further refinements in connection with the proposal made by the British government to Canada in the matter of a free trade area between the two countries?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I intend to discuss all matters of mutual interest to the United Kingdom and Canada that time will permit.

OATS—STATEMENT ON CANADIAN LIMIT ON EXPORTS TO UNITED STATES

On the orders of the day:

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, may I reply to the question asked me yesterday by the hon. member for Rosetown-Biggar. He was referring to the limitations placed upon the export of oats to the United States in 1953, and asked whether Canada still limits the export of oats or any other grain to the United States.

The answer is that there are no quantitative limitations, formal or informal, on the import of Canadian oats and barley into the United States.

HER MAJESTY THE QUEEN

INQUIRY AS TO PROVISION OF CROWN FOR CANADA

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): I should like to direct a question to the Prime Minister. He may wish to take it as notice, because I did not send him notice. In view of the fact that Her Majesty the Queen is not permitted, by a British statute passed in the first year of the reign of William and Mary, to take the crown outside of Britain, and since Her Majesty has expressed the intention of returning to this country, and since Her Majesty expressly visited the United States of America and opened this parliament as Queen of Canada, what consideration, if any, is being given to having a crown of Canada?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I had no notice of this question. I may say that there is no crown of Canada but there is, for all parts of the commonwealth, a crown that is divisible yet indivisible, representative of all parts of the British commonwealth.

[Mr. Martin (Essex East).]

INCOME TAX

CASH ADVANCES TO FARMERS—INQUIRY AS TO TAXABILITY

On the orders of the day:

Mr. C. A. Cannon (Iles-de-la-Madeleine): Mr. Speaker, I should like to address a question to the Minister of National Revenue. Will the minister tell the house whether the cash advances to farmers contemplated by legislation coming before the house today will constitute taxable income under the Income Tax Act?

Mr. Speaker: Order. I doubt if it is proper, on orders of the day, to ask a minister to give a legal opinion.

Mr. Cannon: With all respect, Mr. Speaker, I do not think it is a legal opinion. I think it is a question of fact that is of interest not only to members of the house but to the farmers as well.

Hon. George C. Nowlan (Minister of National Revenue): That is a matter for the law officers of the department when they have had an opportunity of studying the terms of the bill that was brought into this house last night.

Mr. Cannon: If the answer is in the affirmative, and as a lawyer I have no doubt that the answer should be in the affirmative, as I am sure the minister will agree, will the amount of the advance be taxable in the year in which the money will be received by the farmer or in the year in which the grain will be delivered?

Mr. Nowlan: If advances are taxable they will be taxable in accordance with the terms of the Income Tax Act.

QUEBEC—TAXATION OF CONSORTS

On the orders of the day:

Mr. Claude Richardson (St. Lawrence-St. George): Mr. Speaker, may I direct a question to the Minister of National Revenue. Is the minister planning to make a statement at an early date with reference to the recent decision of the income tax appeal board relating to taxation of consorts on community property in the province of Quebec?

Hon. George C. Nowlan (Minister of National Revenue): I thank the hon. gentleman for having sent me notice of his question this morning. As the hon. gentleman knows, the issues involved in that hearing are of great importance in the administration of the Income Tax Act. The decision is now being reviewed and considered by the legal officers of my department. When they have concluded their review and when I have

found time to discuss it with them, a statement will be made to the house as to the intentions with respect to this matter. However, I would not anticipate that could be done before the end of next week.

IMMIGRATION

ALFRED KRUPP—INQUIRY AS TO RE-ENTRY TO CANADA

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Acting Minister of Citizenship and Immigration, as the minister and also somewhat on the basis of one comrade to another. In view of the already strongly expressed objections of organized labour and the opinion of veterans, their relatives and a multitude of other Canadians, does the minister consider there is any merit in permitting war criminal Alfred Krupp to re-enter Canada?

Hon. E. D. Fulton (Acting Minister of Citizenship and Immigration): I wish to thank the hon. gentleman for having given me notice of his intention to ask this question, and in reply to advise him that, in dealing with an application for admission to Canada, any minister involved does not form a personal judgment on the basis of his like or dislike—

Mr. Pickersgill: That is not what the minister used to say.

Mr. Fulton: —but assesses the question of admissibility in accordance with the provisions of the Immigration Act. With regard to the particular question, I might point out that there would be three or four departments concerned in the granting of a visa in a case such as this, and, of course, the decision would be the joint decision of the ministers involved as to whether or not a visa should be granted in the particular case.

I think I should point out also, in view of the words "war criminal" used in the hon. gentleman's question, that Alfred Krupp had his sentence commuted by the United States high commissioner in 1951. His sentence was commuted to the time already served in prison, and his property was ordered returned to him by the United States high commissioner.

Mr. Colin Cameron (Nanaimo): Does the Minister of Justice consider that his judgment should be governed by the decisions of a foreign court, in this case a United States tribunal?

Mr. Fulton: Mr. Speaker, I was answering the earlier question in my capacity as Acting Minister of Citizenship and Immigration, and I take it the hon. gentleman wished me to give this answer in that same capacity.

Mr. Chevrier: That is the trouble, you have too many hats.

Mr. Fulton: The hon. minister should not always judge other people by himself.

Some hon. Members: Oh, oh.

An hon. Member: You can't take it.

Mr. Chevrier: Thank you for considering that I am still a minister.

Mr. Fulton: Of course, Mr. Speaker, in forming the judgment it will be established on the basis of the law applicable in Canada.

Mr. M. J. Coldwell (Rosetown-Biggar): I want to ask a supplementary question. Is it not a fact that persons applying for entry into Canada who have served sentences for criminal offences have been debarred and are debarred from entering Canada?

Mr. Fulton: That is correct, yes; but as I explained to the hon. member for Kootenay West the other day the words "criminal offences" as used in the Immigration Act are words with a technical meaning. The words used by the hon. member in his question have not been found capable of such a technical definition.

JAN WOJTALA—REPORTED DEPORTATION TO POLAND

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to put a question to the Acting Minister of Citizenship and Immigration. Is it now the practice of the department to deport persons to countries behind the iron curtain?

Hon. E. D. Fulton (Acting Minister of Citizenship and Immigration): No, Mr. Speaker, it is not the practice.

Mr. Pickersgill: Is it not true that a certain person named Jan Wojtala, who claims to be a stateless person, is, as the Vancouver *Sun* has reported, being flown to England en route to Poland by the department for which the minister is acting?

Mr. Fulton: I have not seen the newspaper report and therefore I cannot comment on its accuracy. I have not looked at the departmental file for the last week and must therefore speak from recollection and subject to correction. My recollection of the circumstances is that the man in question was in possession of—I am afraid I do not recall the technical term—what in effect was a travel document issued by the United Kingdom, and my understanding is that he is being sent back to the United Kingdom in

accordance with that document. I should also inform the house that in my review of the file of this case it was brought to my attention that the man in question had expressed his desire to be returned.

Mr. Pickersgill: I should like to ask a further supplementary question. I wonder whether the minister could explain why this man, who claims to be a stateless person, should have been treated differently from Mr. Christian George Hanna.

Mr. Fulton: The main reason, of course, is that there is a different government in office at the moment—

Some hon. Members: Oh, oh.

Mr. Fulton: —and the treatment accorded to the man in question is therefore more considerate. As I have pointed out the man in this case expressed a desire to be returned, which is quite different from the desire of Mr. Hanna.

TRANSPORT

LIVESTOCK—SHORTAGE OF BOX CARS IN WESTERN CANADA

On the orders of the day:

Mr. E. G. Hansell (Macleod): I should like to direct a question to the Minister of Transport. Has the government's attention been drawn to the shortage of railway stock cars for the movement of cattle in southern Alberta? If so, what is being done to remedy the situation?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, last evening the Minister of Agriculture drew my attention to an article in the Lethbridge *Herald* stating that there is such a shortage at Lethbridge and Calgary. It then being too late to get in touch with the Canadian Pacific Railway, the railway concerned, I did so the first thing this morning. They are checking now with their western representatives, and as soon as I receive a report from them I will communicate it to the house and to the hon. member.

PENSIONS

REINSTATEMENT OF REMARRIED WAR WIDOWS

On the orders of the day:

Mr. Henry Murphy (Westmorland): I should like to direct a question to the Minister of Veterans Affairs. Will the government consider taking the necessary steps for the reinstatement of remarried war widows whose husbands have died and who were in receipt of pensions before their remarriage?

[Mr. Fulton.]

Hon. A. J. Brooks (Minister of Veterans Affairs): I wish to thank the hon. member for Westmorland for giving me notice of his question. This matter is covered by the Pension Act, and in each case is considered in the light of the provisions of the act. Section 45, subsection 1, of the Pension Act provides that when a pensioned widow remarries she is entitled to one year's pension as a final payment and her pension ceases.

Section 45, subsection 2, of the act makes the further provision that if the new husband dies within five years after such marriage and the widow is left in a dependent condition, her award may be restored by the commission in whole or in part. The statutory limitation must be noted, and the benefit is only available when death takes place within the five-year period. That is the provision in the act at the present time.

Mr. Murphy (Westmorland): There is no provision in the case of the death of the husband after the five-year period? You are not going to consider any steps?

Mr. Brooks: I have just quoted the act as it is at the present time. I may say it is the act as passed by my hon. friend's government. We may consider changes later on.

Mr. Murphy (Westmorland): I have a further supplementary question. Will the government consider the necessary changes in the act to take in those widows whose husbands have died after the five-year period?

Mr. Brooks: Well, it was the considered opinion of the former government, of the veterans affairs committee and also of veterans organizations that five years should be the period. The act may be considered later on and we may give the matter further consideration, but I am quoting the act as it stands at the present time.

UNEMPLOYMENT INSURANCE

REQUEST FOR INCREASED BENEFITS

On the orders of the day:

Mr. J. A. Byrne (Kootenay East): I should like to direct a question to the Minister of Labour. In the light of the increases in the cost of living and also the government's recognition of the need for increases in other welfare payments, will the minister endeavour to get his colleagues to reconsider their position with regard to bringing in legislation to provide for increased benefits under the Unemployment Insurance Act?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, these matters are always under consideration by the unemployment insurance commission. In answer to the latter

part of the hon. member's question, I might say it is a matter of policy upon which the government has to decide as to what will be done with any recommendation.

Mr. Claude Ellis (Regina City): Then may I ask a supplementary question. Can the minister inform us, in view of the very serious unemployment situation, when we may expect the government to fulfil the pledge it made prior to the election that unemployment insurance benefits would be increased to extend full coverage 52 weeks of the year?

Mr. Starr: Mr. Speaker, the unemployment insurance commission is studying this possibility at the moment. We have not received any recommendations from them as yet, but when we do they will be presented to the government for their decision.

FINANCE

REQUEST FOR INTEREST-FREE LOANS TO PRIMARY PRODUCERS

On the orders of the day:

Mr. E. B. Huffman (Kent, Ont.) Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce. Will the minister consider extending the provisions of Bill No. 14 standing in his name, or some other measure, so that interest-free loans may be obtained by primary producers in all Canada?

Hon. Gordon Churchill (Minister of Trade and Commerce): The hon. gentleman is not fully informed with regard to the nature of the bill. I am happy that we will be studying it now and he will see that there are no interest-free loans mentioned at all. The bill has to do with cash advances.

Mr. Huffman: What is the difference?

Mr. Churchill: I trust the hon. member can make that distinction. I will draw this to the attention of the hon. member because apparently he has not paid any attention to it at all. I will read out to him just what the bill is: Bill No. 14—an act to provide for advance payments on prairie grain prior to delivery thereof. If that act is to be extended in any way perhaps the hon. member would suggest the action necessary, if he wants something done. There may be other things required to be done in the interests of the people of Canada but I can assure the hon. member that this government will undertake the necessary steps for the benefit of the people of Canada.

Mr. Huffman: All I was asking was if the Minister of Trade and Commerce would consider extending the provisions of this act to all the primary producers.

An hon. Member: He did not pay attention to the question.

Mr. Churchill: I did pay attention.

BANK OF CANADA—REPORTED SELL-OFFS OF U. S. DOLLARS

On the orders of the day:

Mr. E. G. Hansell (Macleod): Mr. Speaker, may I direct a question to the Minister of Finance. I have not given him notice and the answer may be a little involved, so perhaps he could answer this question on Monday. Has the minister been informed that the Bank of Canada has reported substantial sell-offs of United States dollars? The press reports state that these increase the flow of cash available to the federal treasury. My actual question is this. As the Bank of Canada loans no money to the government, in what way is it expected that this move will ease the tight money policy? Perhaps the minister could answer now, but I would be satisfied to wait until Monday.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the Bank of Canada operates as the fiscal agent of the Minister of Finance in all operations relating to the exchange fund, and so far as reports to the Minister of Finance are concerned, the Minister of Finance receives reports constantly from the Bank of Canada concerning any operations carried on by the Bank of Canada in relation to the purchase and sale of exchange. It is hard for me to see what relationship this matter has to any question of tight money policy.

POST OFFICE DEPARTMENT

REFERENCE TO DIRECTIVE CONCERNING MAIL CONTRACTORS

On the orders of the day:

Mr. F. D. Shaw (Red Deer): Mr. Speaker, I should like to address a question to the Postmaster General. Would the minister table directive 9/4 MS dated August 8, 1957, sent to rural mail carriers, which was referred to yesterday in this house?

Hon. W. M. Hamilton (Postmaster General): I will be very glad to look at the document, Mr. Speaker.

QUEBEC CITY—COMMEMORATIVE STAMP FOR 350TH ANNIVERSARY

On the orders of the day:

Mr. J. A. Landry (Dorchester): May I direct a question to the Postmaster General. Has the Postmaster General decided to implement the

decision of his predecessor to issue a special stamp in 1958 to commemorate the 350th anniversary of the city of Quebec?

Hon. W. M. Hamilton (Postmaster General): I will be very glad to take my hon. friend's question as notice and give him my answer next week.

REFERENCE TO DESIGN OF TWENTY-FIVE CENT CANADIAN STAMP

On the orders of the day:

Mr. F. D. Shaw (Red Deer): Mr. Speaker, I would like to direct a question to the Postmaster General. Will the Postmaster General at an early date examine the 25-cent Canadian postage stamp and explain its design, which to many looks like a still used in the manufacture of moonshine.

Some hon. Members: How would you know?

Mr. Hees: It reminds him of home.

Mr. Gauthier (Portneuf): Look at the moon.

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, the minister under whom this stamp was produced and issued and who I think should explain its significance is no longer here to do so. I would suggest that the best course of action for the hon. member for Red Deer to follow would be to ask the man who was responsible for the stamp to explain its significance.

Mr. Gauthier (Portneuf): Most amusing, but not an answer.

APPOINTMENT OF ASSISTANT TO DEPUTY MINISTER

On the orders of the day:

Mr. Guy Rouleau (Dollard): Mr. Speaker, may I address a question to the Postmaster General.

Yesterday I asked the Postmaster General if he was giving consideration to the appointment of an assistant to the deputy minister. His answer led me to understand that the position has been abolished. However, on going through the estimates of his department I find that provision has been made for the office of a chief executive, the position left vacant by the promotion of Mr. Boyle.

Can the minister inform the house if it is his intention to appoint someone to that position or to a similar one? If so, I should like to know whether the minister is in a position to tell us when that appointment will be made.

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, I am grateful to the hon. member for having given me notice of this question. The entire matter is under consideration at the present time, and I expect action will be taken before too long.

[Mr. Landry.]

NORTH HATLEY, QUE.—INQUIRY AS TO ACTION TAKEN CONCERNING THEFT

On the orders of the day:

Mr. L. E. Roberge (Stanstead): Mr. Speaker, I wish to address a question to the Postmaster General. Is the minister aware that the post office at North Hatley was recently broken into and some $7,500 stolen, and what action has been taken with regard to this matter?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, the minister is aware of this matter, and it is under investigation at the present time.

HOUSING

CAMP PETAWAWA—STATEMENT ON ALLEGED SHORTAGE OF ACCOMMODATION

On the orders of the day:

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, yesterday the hon. member for Renfrew North (Mr. Forgie) asked me if I was aware of an agreement which had been entered into prior to June 10 regarding construction of houses on property purchased from the Department of Veterans Affairs by the Department of National Defence.

I have made full inquiries, and I am informed that there were no agreements prior to June 10 between the Department of National Defence and any other interest in regard to the construction of houses on property transferred to my department from the Department of Veterans Affairs. In fact Central Mortgage and Housing Corporation has been unable to find private interests willing to erect rental guaranteed housing or to promote limited dividend housing, mainly in view of the cost of servicing the said land.

REPORTED INCREASE IN INTEREST RATES

On the orders of the day:

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I wonder if the Minister of Finance is in a position to make the comment for which I asked him yesterday on the reported increase in the interest rates on loans for low rental housing under the National Housing Act?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I have not had an opportunity of getting hold of the newspaper report to which my hon. friend referred, but I hope to be able to answer his inquiry on Monday.

NATIONAL DEFENCE

CF-100 MARK VI—DEVELOPMENT PROGRAM

On the orders of the day:

Mr. G. R. McWilliam (Northumberland-Miramichi): I would like to address a question, Mr. Speaker, to the Minister of National Defence. Is it true that the government, after cancelling its production program with respect to the CF-100 mark VI in an economy move, is now continuing the development program of the CF-100 mark VI?

Hon. G. R. Pearkes (Minister of National Defence): That is not correct.

(Translation):

AUTOMOBILES

INQUIRY AS TO ISSUE OF LICENSE PLATES

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I should like to direct a question to the Solicitor General. Is he of the opinion that the low-number license plates which were at one time so useful in the province of Quebec could be as useful today in the province of Ontario?

(Text):

HEALTH INSURANCE

REPLY TO LETTER FROM PREMIER OF MANITOBA

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I direct a question, Mr. Speaker, to the Minister of National Health and Welfare. I should like to ask him if the government has yet made any answer to the letter addressed to the Prime Minister by the premier of Manitoba early in August with respect to hospital insurance?

Hon. J. W. Monteith (Minister of National Health and Welfare): Well, Mr. Speaker, all I can say is that I certainly have answered any letters coming to my department.

Mr. Pickersgill: Well, perhaps I might direct the question to the Prime Minister, in that case.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I will examine the files and see whether any letter remains unanswered. If any letter does remain unanswered it is due to inadvertence, and I will have it looked into.

QUEBEC—ATTITUDE TOWARD PARTICIPATION

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I would like to direct a question to the Minister of National Health and Welfare. Did the province of Quebec ignore the offer to participate in the hospital insurance plan, or did it refuse? If the province refused, what reasons were given?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I do not think I am in a position to answer that question. I have not examined the correspondence or gone into the meetings with Quebec.

Mr. Deschatelets: Is it the intention of the minister to take the opportunity afforded by the forthcoming dominion-provincial conference to talk the matter over with the premier of the province of Quebec?

Mr. Monteith: Well, the agenda for that conference has not yet been set, I understand, but it would seem like one of the subjects which might well be discussed at that time.

NATIONAL PARKS

QUEBEC CITY—STATEMENT ON PROMENADE OUTSIDE CITADEL WALLS

On the orders of the day:

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, on October 24 the hon. member for Montmagny-L'Islet (Mr. Lesage) asked a supplementary question regarding the proposed board walk around the Quebec Citadel. He asked whether the sum of $50,000 provided for in supplementary estimates was still available for this purpose.

The answer is that not all this sum is available. Some of it, about $2,500, was left available to carry out the preliminary engineering and design work. Because only seven-twelfths supply was voted, another part had to be transferred to meet urgent parks reconstruction work along the Banff-Windermere highway and at other points. Lastly, the previous government had agreed to contribute $7,500 toward the urgently needed widening of Champlain street in lower Quebec. As no funds had been provided to meet this urgent need, it became necessary for this government to obtain funds by means of transfer from the amounts provided for the board walk.

I might add that the engineering and planning work has not been held up in any way due to these transfers. As I said yesterday, lack of staff has been the governing factor.

Hon. Jean Lesage (Montmagny-L'Islet): May I ask a supplementary question. Is the minister not aware that it would have been possible, as was planned by the previous administration, to have provided the $7,500

needed for the widening of Champlain street in the further supplementary estimates which were tabled some time ago?

An hon. Member: You have spies in that department.

Mr. Lesage: I have no spies. I was there.

THE CANADIAN ECONOMY

GORDON COMMISSION—AUTHOR OF STUDY ON ENERGY

On the orders of the day:

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, yesterday the hon. member for Algoma East (Mr. Pearson) asked me, at page 350 of *Hansard*, if I could inform him as to the authors of the study on energy undertaken on behalf of the royal commission on Canada's economic prospects.

I have made inquiries, and I am informed that the author of this study is Mr. John Davis, an economist who was retained by the commission.

AGRICULTURE

GUELPH—COMPLETION DATE OF SERVICE LABORATORY

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I would like to address a question to the Minister of Agriculture. When may we in Wellington South expect the completion and opening of the new agricultural science service building now nearing completion on the outskirts of Guelph?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, the hon. member was good enough to give me notice of his question—

An hon. Member: How curious.

Mr. Martin (Essex East): We used to do the same thing.

Mr. Harkness: I may say that a considerable number of hon. members on the other side of the house have been good enough to give me notice of their questions also. But to answer the question, it is expected that the new livestock insect laboratory at present under construction at Guelph will be completed by February next.

CORN—STATEMENT ON PRICE IN ONTARIO

On the orders of the day:

Mr. John Charlton (Parliamentary Assistant to the Minister of Agriculture): Mr. Speaker, I wish to reply to the following question asked yesterday by the hon. member for Kent, Ontario (Mr. Huffman):

May I just ask the minister if he is aware that corn which was selling for $1.20 a while ago was marketed yesterday for 46 cents?

By this question the hon. member has left the impression that the corn selling for $1.20 a while ago, which was in fact last year's corn and perfectly dry, would compare with the new crop at a price of 46 cents. Our information is as follows: The method most commonly used in pricing corn in southwestern Ontario is to establish a bushel price for shelled corn basis 15.5 per cent moisture. A standard formula is used for relating that price to corn of lower moisture.

The present base price for corn purchased on that formula is $1.05 per bushel. On that basis the price for corn of lower moisture follows the following pattern:

Per Cent Moisture	Price Per Bushel
15.5	$1.05
20.5	.93
25.5	.83
30.5	.73

We understand that the average moisture of corn now being marketed runs between 27 per cent and 29 per cent. This is about 2 per cent above normal. Corn of that moisture would bring slightly under 80 cents by the above formula.

We were unable to learn of any prices in the order of 50 cents per bushel for shelled corn, but the 73 cents price for shelled corn of 30.5 per cent moisture would work back to about 50 cents per bushel for cob corn of that moisture.

LABOUR CONDITIONS

UNEMPLOYMENT—STATEMENT AS TO LAY-OFFS IN LOUISEVILLE, QUE.

On the orders of the day:

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, this may be an appropriate time for me to answer the question directed to me yesterday by the hon. member for Berthier-Maskinonge-Delanaudiere (Mr. Langlois), which concerned a statement in an article appearing in the Montreal *Gazette* of October 23 reporting that a curtailment of operations at the Louiseville, Quebec, plant of Associated Textiles of Canada was attributed by the chairman of the board of the company to "continued heavy imports of synthetic textile fabrics into the Canadian market."

The hon. member is aware that all the items under the tariff pertaining to textiles have been referred to the tariff board in order that the board may review them and make a report. This is not the first time that a reference has been directed to the tariff

board concerning items in the tariff structure in relation to textiles. About three years ago the former government directed a reference to the tariff board concerning the items pertaining to woollen textiles. On that occasion the board was directed to make an inquiry but not to make recommendations.

The new reference to the tariff board will give the board the opportunity to make recommendations as well as to make a report in general, and the new reference is of course broader than the reference of three years ago. In taking this course I may say it has been gratifying, Mr. Speaker, to find that it has apparently met with such wide approval on the part of many hon. gentlemen opposite, who were very silent in former years with regard to conditions in the textile industry in Canada.

Some hon. Members: Order.

MINES AND TECHNICAL SURVEYS

STATEMENT ON REQUEST FOR SURVEY OF SOUTHEASTERN NEW BRUNSWICK

On the orders of the day:

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, in reply to the question asked yesterday by the hon. member for Westmorland (Mr. Murphy) I wish to say that the counties of Westmorland and Albert are included in our program of airborne magnetometer survey in New Brunswick in next summer's field season.

OLD AGE SECURITY ACT

AMENDMENTS RESPECTING ALLOWANCE AND RESIDENCE QUALIFICATIONS

The house resumed, from Thursday, October 24, consideration in committee of the following resolution—Mr. Monteith—Mr. Rea in the chair:

That it is expedient to introduce a measure to amend the Old Age Security Act to increase the amount of monthly pension payable thereunder to fifty-five dollars per month, to reduce the basic residence requirements for pensioners from twenty years to ten years and to increase the length of permissible temporary absence of pensioners from Canada from three to six months.

Mr. Martin (Essex East): Mr. Chairman, I have read with considerable interest the statement made by the Minister of National Health and Welfare in presenting to the house this particular resolution. I must apologize to him for not being here last night when he made his statement. I was engaged in constituency business, but had I known that my hon. friend was going to introduce the resolution I certainly would have made other arrangements.

I am sure the house generally will find the resolution of great interest, and I am equally certain that the minister himself as he introduced it must have felt he was the pivot, as it were, in a rather historic effort by his party, because it represents the first time that anyone speaking for a Conservative government has put forward legislation having to do with some aspects of social welfare.

Mr. Fleming: That is not true; that is utterly untrue.

Mr. Martin (Essex East): It is not the first time, of course, that we in this house have dealt with matters in this field that have been proposed by spokesmen for the party represented by the government opposite, because hon. members will well recall, as we were reminded the other day by the former minister of agriculture, that in the election of 1930 the then leader of the Conservative party said to the people of Canada in substance, "Elect me; I will call parliament together and I will enact a real old age pensions measure." That statement was made in the town of Renfrew, in the town of Newcastle and in my own city of Windsor, and at a time when modifications in old age pensions would have been of great benefit to the people of this country.

The history of parliament between 1930 and 1935 will show that this promise of the then leader of the Conservative party, a distinguished gentleman who became prime minister, was not kept and his government did nothing whatsoever not only with regard to old age security or old age pensions but for that matter with regard to any particular measure relating to social welfare, except in its dying days when it brought in the unemployment insurance act which the Supreme Court of Canada shortly thereafter declared ultra vires.

Mr. Fleming: That statement is untrue.

Mr. Marler: Take it quietly.

Mr. Martin (Essex East): My esteemed friend the Minister of National Health and Welfare was in the happy position last night, for which I sincerely congratulate him, of presenting to this house an amendment based upon an act of parliament introduced in 1951 by the government headed by the present Leader of the Opposition. In expressing our approval of this resolution and all its terms I might say, speaking for those of us on this side, that our approval can be understood particularly in the light of some of the facts which have preceded the introduction of this amendment from the time old age pensions were first enacted by this parliament.

I think it is important to remember that in 1926 the minister of labour in the government of Right Hon. W. L. Mackenzie King proposed, on an enabling basis, legislation that would provide old age pensions to those citizens of Canada residing in provinces whose governments were prepared to accept the proposal made by the government of that day. It is a matter of history that the old age pensions proposal of that day would have become law in 1926 but for the action taken by the upper house, then made up in its majority by members who supported the party now constituting the government of the day. It is significant, too, that while the opposition in parliament at that time, headed by the Right Hon. Mr. Arthur Meighen, supported the program for old age pensions introduced by the Mackenzie King government, some very strong speeches were made by the opposition in the house at that time against the introduction of this measure. For instance, if hon. members will refer to *Hansard* of April 15, 1926, volume III, at page 2470, they will find, among others, this kind of expression, the view expressed by the hon. member for St. Lawrence-St.George, a distinguished member of the Conservative party, who said:

> Mr. Chairman, I am altogether opposed to the scheme of old age pensions as placed before the house in this resolution. I can understand an old age pension scheme which depends upon the incapacity of the recipient to earn a living, but unlike every other old age pension scheme with which I have been able to come in contact during a rather extensive search, this scheme altogether eliminates the element of incapacity. It assumes that at 70 years of age every Canadian who has lived in this country for 20 years is utterly incapacitated to earn a living. I object to that assumption, because actual incapacity should be the fundamental principle embodied in any pension scheme.

As the house knows, the act upon which this amendment is based provides for a pension as of right to every person in Canada 70 years of age and over, and the question of incapacity was dealt with by the previous administration through another legislative enactment. What was the view of the leader of the opposition? At that time Mr. Meighen supported, by the speech he made the same day, the position taken by Mr. Cahan.

Mr. Cardiff: What has that to do with us?

Mr. Martin (Essex East): It has everything. It shows that this measure was first introduced by the Liberal party and it was opposed by members of the Conservative party. It is well for us to realize that and to keep emphasizing that what is now being done is by way of amendment to an act introduced in this parliament by the administration of the right hon. gentleman who is now the Leader of the Opposition.

Mr. Churchill: Are you in favour of the amendment?

Mr. Martin (Essex East): What are the facts with respect to the act upon which this amendment is based? It will be remembered that in 1950 the government of the day proposed that an all-party committee should be set up to consider ways and means of improving existing old age pension legislation in this country. That committee had in its membership the present Minister of Finance as the main spokeman for hon. gentlemen sitting opposite. As a result of the deliberations of that committee certain recommendations were made to this house, and the government of the day accepted most of those recommendations.

The result was the establishment in this country of the universal old age pension system which provided as a matter of right to every citizen in Canada 70 years of age and over a pension based in part upon the principle of contribution—based, I say, in part on the principle of contribution. The significant thing is that it was, and continues to be, the only old age pension scheme to be found in any country of the world that does not have a means test.

This amendment, good as it is, must be related to the basic document of which it is a part, introduced by those representative of the party which sits to Mr. Speaker's left.

When the old age pension was provided for after the elections that were held in 1926, in revolt against the stand taken by a Conservative Senate, every citizen in Canada 70 years of age and over, on a means test basis, was provided with a pension of $20 a month, the federal government sharing the cost of this scheme with the provinces on a basis that was maintained until 1932. Now, hon. gentlemen opposite who bring forward this measure pursuant to election promises—and I commend them for that— are for the first time giving evidence of their official interest in this kind of matter, having denied themselves the opportunity during the dark days of 1930 to 1935 of doing something for the old people of this country.

Not only did we bring in old age pensions, those of us who support the Liberal party, but during the period from 1926 to 1930 we made some improvements in the legislation and from 1935 to 1940 income ceilings were raised. As minister of national health and welfare I had the great honour on two occasions of bringing in on behalf of the government, supported by those who sat behind us

when we sat at Mr. Speaker's right, increases in the basic amounts of the pension, with the result that we were able to say in 1951 that we had provided for the people of Canada the most comprehensive and, in dollar terms, the most generous old age pension scheme available to any people in any section of the world. It is with the background of this history that this amendment is introduced today.

Mr. Green: Don't forget the $6 a month you brought in.

Mr. Martin (Essex East): My hon. friend says, "Don't forget the $6 a month". I am coming to that. Let my hon. friend not forget that the only contributions his party made to old age security in this country is this. Out of the proposed $55 pension it is responsible only for the recommendation of $9.

Mr. Green: We have had to kick you all along.

Mr. Martin (Essex East): Last night the Minister of National Health and Welfare said this scheme would cost around $90 million.

Mr. Monteith: I said $96 million.

Mr. Martin (Essex East): Knowing something of the facilities that my hon. friend has for accurate calculation I accept, of course, his estimate of the total cost. The total cost of the amendment should be considered in the light of the total cost of old age security itself. As introduced in 1926 I think the projected cost was something in the neighbourhood of $12 million. When we embarked upon the universal scheme in 1952 the total cost of old age pensions chargeable to the government of Canada was in the neighbourhood of $90 million. When we left the benches now occupied by the hon. gentlemen the government of that day had introduced legislation which resulted in an expenditure of some $460 million by way of assistance to the old people of our country.

Mr. Macdonnell: Tell us about the $6.

Mr. Martin (Essex East): Now my friend is recommending an amendment involving an expenditure of $90 million. I commend him for that. Any assistance we can give to those classes in our country who need assistance will be approved, politics notwithstanding, by everyone in all sections of this house and in most sections of this country. It is important to realize the extent to which my friend now proposes to go. He is proposing an expenditure of some $90 million—an expenditure which some of the newspapers supporting my hon. friend are criticizing already as being an extravagant proposal—and that should be compared with the expenditure which we made in the last session to the extent of $60 million in addition to a total of $400 million for which the government of Canada had already committed the people before this government came into power.

Mr. Brooks: Yes; 22 years and 4 months respectively.

Mr. Martin (Essex East): My hon. friend says 22 years and 4 months. My hon. friend may sit there doing all the musing he wants, but the history of this legislation shows that it was a Liberal government that was largely responsible for its implementation. No last minute repentance on the part of those who opposed social security measures will alter this fact.

My hon. friend has made an important proposal in his amendment when he suggests that we should reduce the qualifying period of residence from 20 to 10 years. My hon. friend will, of course, have access to the departmental records. He will know something of the discussions that prevailed in connection with that matter between myself, as minister of national health and welfare, and the provinces. My hon. friend will have access now to other memoranda in the department which clearly indicate what was in contemplation in this regard.

Mr. Churchill: And your opposition to the idea.

Mr. Martin (Essex East): My hon. friend, the Minister of Trade and Commerce should realize that with his journeys to England, his sale of wheat and his problems in China, it would be better if he confined himself to those absorbing problems.

Mr. Churchill: The hon. member had problems in January; he is thinking of January.

Mr. Martin (Essex East): In 1951 the parliamentary committee gave consideration to the question of residence. If the hon. gentleman will look at the report of the committee on old age security he will find at page 111, paragraph numbered 69, the following expression of view, which was not the expression of view of one party but was the considered recommendation of all parties and unanimously given:

> In the committee's view, it is not unreasonable to suggest that for the universal pension program a residence requirement of 20 years should be established similar to that which exists now under the present federal-provincial old age assistance program.

Now, what does this mean? It means that the Minister of Finance and the late hon. member for Lanark, for whom we all have the deepest respect and happy memory, shared

the view of members of the C.C.F. and of the Social Credit party and of the party of which I am a member, that the period of residence for qualifying purposes should be 20 years.

Then it is significant that in paragraph 70 it is said:

> With respect to an old age assistance program for persons 65 years of age and over on the basis of an eligibility test, it is the committee's view that a requirement of 15 years' residence should be considered.

Mr. MacEwan: Why wasn't it?

Mr. Martin (Essex East): I am going to give you the answer now. If my hon. friend will read *Hansard* he will find why. It was because the provinces, which had shared in the costs of old age assistance from 65 to 70, were reluctant to make any changes whatever in the matter of the qualifying period of residence, and among those provinces was Ontario. This is a matter of record. I am happy, as we all are now, that provincial-dominion relations are such that my hon. friends are now able to take a step which will have, at least in so far as other legislation is concerned, an exemplary effect in being able to persuade the provinces that they should reduce their qualifying period of residence as well.

Mr. Cardiff: The only thing that was wrong with the hon. member was that he could not persuade them.

Mr. Martin (Essex East): My hon. friend is quite right; I was not able to persuade certain governments, including the government of Ontario, of the desirability of doing that very thing. But if I had, my hon. friend may be sure that I would have taken the step to bring about a reduction in the residential requirement under the existing act. I hope the country will now have the advantage of the close collaboration that exists between the federal government on the one hand and the provincial governments on the other, so many of whom share the same political convictions as hon. gentlemen opposite.

This brings me to the very important role of the provinces in this matter. Last night my hon. friend properly said in his speech, as reported at page 385 of *Hansard* for October 24, 1957:

> We do not say that it is the final or perfect solution, or that there is any magic rightness about this particular amount. We make no extravagant claims as to the generosity of the amount we are now proposing.

I understand what prompted my hon. friend to make that remark, and he is quite right. No grant of any social benefit provided by this or any other legislation can possibly, in every instance, fully satisfy the existing need in the case of many old people. I agree with my hon. friend. But there are many thousands of people in this country who are not going to fully benefit from the proposal made by my hon. friend or from the proposal which we made before June 10. There is only one satisfactory way of meeting that, and that is by the provinces of our country recognizing that they too have a responsibility in this matter. I suggest to my friends, now that they are in office and now that the relationship between the Prime Minister of Canada and the premier of Ontario is of the most intimate kind, that it ought to be possible for the Prime Minister of Canada to do something I was not able to do; that is, convince the government of Ontario that it has a responsibility and that in needy cases it ought to provide supplementary benefits under a more generous arrangement than now exists. What is the situation?

Mr. Hodgson: The hon. member was not able to convince the provinces.

Mr. Martin (Essex East): In the provinces of British Columbia, Alberta and Saskatchewan there are supplementary benefits paid to needy persons, in the case of British Columbia right across the board. But in the case of Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island—

Some hon. Members: And Manitoba.

Mr. Martin (Essex East): —and Manitoba, all except Newfoundland and the three western provinces I have mentioned, the provincial governments are not bearing their share of the cost of assisting the elderly people of this country. The total cost assumed by all 10 provinces in the matter of old age pensions, apart from supplementary payments, is about $35 million. The federal government is assuming responsibility for $460 million, and now the $90 million proposed by the Minister of National Health and Welfare.

Mr. Cardiff: Under the old formula they were taking about 85 per cent of the taxes.

Mr. Martin (Essex East): It is not too much to ask the Minister of National Health and Welfare, for whom I have the highest regard, to use his influence in trying to bring about an improvement in that respect, particularly in our own province where so many people reside.

During the election we were told that the government was going to give us much more than is now proposed. We were told by the Prime Minister, "Elect me. I will call parliament together in September and I will give you the most generous old age security system of any country in the world."

An hon. Member: So he did.

Mr. Martin (Essex East): "We are going to do something about what is being done in the United States." Then listen to this statement. The Prime Minister said:

> . . . I'm not going to indulge in any auction block type of politics by promising the impossible. Some political parties are promising the impossible and they know that they will not have the responsibility of power.

Then he said this:

> We believe the old age pension is inadequate. We intend, this September, to call together a parliament and there and then fix a fair and reasonable amount for the old age pensioner, indeed for the other pensioners, and also make provision for a formula whereby due allowance will be made in the future for the rising cost of living, providing that it continues.

That last proviso was an essential part of the program.

Mr. Monteith: That will be looked after.

Mr. Martin (Essex East): But this amendment says nothing about that. This amendment does not live up to the promise of the Prime Minister of having a provision in the law that the pension will go up or down depending on the cost of living.

An hon. Member: Give us time.

Mr. Martin (Essex East): Has the government abandoned this particular feature of its program, or does it intend to introduce legislation?

Mr. Cardiff: Wait till he has had 22 years in office.

Mr. Martin (Essex East): If it does intend to introduce legislation should it not do so at this session, because the Prime Minister said they were going to do it in the month of September Then what about the proposal made frequently during the election by the Prime Minister and also by the Minister of Transport that we should embark upon a program of assistance such as is provided to old people in the United States? There they have a superannuation system under which contributions are provided by the employer and by the employee.

It is true that those superannuation benefits exceed the monetary return of our old age security plan. It is significant that in the United States plan there is no financial participation by the government of the United States or by the state governments in any particular. But are we going to have that plan? The Prime Minister said it commended itself to him. Are we going to have it, or has he now come to the conclusion reached by the Minister of Finance when he was a member of the parliamentary committee in 1951, a committee that examined this problem, that the universal old age assistance system being proposed by the government of the day was preferable to the particular superannuation scheme which I have just mentioned, and which exists in the United States?

Has he now concluded that our system is better? Has the minister come to the conclusion that our universal old age assistance scheme is preferable because it does not only embrace those workers in factories who can be reached by the principle of deduction of contributions from pay cheques.

The fact is that the United States scheme, which I believe has a lot to commend it, is something we had been considering and something that can be adopted, because it does not involve any action by government at all. Nevertheless we must look at the realities of the situation, and realize that if we adopted the United States system, as the Prime Minister suggested during the course of his election he would, we would not be touching the bulk of the population of our country. We would not be touching the farmers. We would not be touching the fishermen. We would only be embracing those who can be reached by the mechanism of deducting contributions from pay cheques.

So it is one thing to say that our system falls short of that of the United States, and it is another thing to say that we can study that system and also that we can adopt it without violating the principle of our own universal system. But my hon. friend, in the introduction of the amendment now before the house, has done nothing whatsoever to realize the suggestions made by the Prime Minister about the validity of the United States scheme. He does not do any more than confirm by this amendment the validity of the act which we introduced in 1951.

An hon. Member: And you are going to vote for the amendment, too.

Mr. Martin (Essex East): I said I was going to vote for it, and I certainly am.

The Acting Chairman (Mr. Rea): Order. I am sorry to interrupt the hon. member, but I must advise him that his time has expired.

Mr. Ellis: Mr. Chairman, as I listened to the speech just delivered I had to try to determine whether there had been an election on June 10 last. To hear the former minister of national health and welfare upbraiding the present government for not doing anything seems very strange coming from his lips. I must confess that when the election results were announced on the evening of June 10 one of the thoughts that ran through my mind was just what sort of approach the Liberal party would take in the House

of Commons with respect to legislation. I wondered at that time whether the former ministers would have the brass, after having sat on their haunches for 22 years, to emerge suddenly as champions of last action.

I am sure, Mr. Chairman, that we of the C.C.F. have always considered that the differences between Liberals and Conservatives are superficial. It is simply a question of which party happens to be in office and which party happens to be on the opposition side of the house. But it does seem passing strange that the man who could have done so much when he was minister has now suddenly realized the enormity of the problem facing our senior citizens. Yet at the same time I did not hear one single suggestion during his 30-minute speech as to what he thought should be the figure, as to what he thought should be done at the present time. He went back into history—

Mr. Martin (Essex East): Does my hon. friend want me to deal with that?

Mr. Ellis: On some other occasion. I had expected that the Liberal party would now reveal to us just what they think the pension rate ought to be. We know that earlier this year they had a decision to make. They had to decide how much the pension increase should be, and they decided on a figure of $6. I think the niggardliness of the increase was one of the most important contributing factors in the defeat of the former government. From press reports I have read in newspapers from one end of Canada to the other it was quite evident before the voters went to the polls on June 10 that the people of Canada were not satisfied with the $6 increase. The government had allowed the position of the old age pensioners to deteriorate year by year and only—I am using the former minister's expression—at the eleventh hour, a few months before the election, did they bring forward a $6 increase.

We know what happened. The former minister would be quite happy to forget what happened on June 10, and in an effort to forget is going back 20, 25 or 30 years into dim history. Well, of course I understand the desire of the Liberal party to retreat into the past, but I was intrigued by a statement which the hon. member for Essex East had to make regarding the proposal made by Mr. King in 1926 about the old age pension.

I think all hon. members are very aware of the situation which existed in this house at that time. While I could not find the quotation, I can recall reading a statement made by Mr. Bennett to Mr. King, when Mr. Bennett quite properly pointed out that he only brought in the old age pension when he had a gun pointed at his head by the late Mr. J. S. Woodsworth, the founder of the C.C.F. party, who at that time was the member for Winnipeg North Centre.

The reason we got the old age pension in 1956 was that both the old parties lacked a clear majority in the House of Commons and Mr. Woodsworth, as we are all aware, approached the party leaders—Mr. Meighen of the Conservatives and Mr. King of the Liberals—to find out which party would give the most firm undertaking that the old age pension legislation would be brought down. Mr. Meighen's answer at that time was very unsatisfactory; Mr. King, being a very astute politician, replied in a more favourable manner. As a result of the strategic position held in the House of Commons by two labour members at that time, the people of Canada got the old age pension legislation.

Thus it seems rather strange now to hear Liberals claiming credit for bringing in the old age pension legislation in this country. If credit is to be given, then I think in all honesty and fairness the credit for the old age pension legislation should go squarely to the late Mr. Woodsworth and Mr. Heaps, the two labour members in this house.

An hon. Member: Who introduced the measure?

Mr. Ellis: I do not propose to deal further with the approach taken by the official opposition today, because I think the people of Canada gave their answer on June 10 and I think hon. members should keep their peace until such time as there may be some concrete and practical proposals to bring forth on behalf of the Liberal party. Of course I realize there is a convention coming up in January, and I suppose that these debates must be made the occasion for a little campaign oratory. That is the only possible reason I could imagine for the hon. member for Essex East reaching these heights of oratory in which, of course, nothing of a practical nature was said.

Mr. Martin (Essex East): On a point of order, Mr. Chairman, no hon. member has the right to impute the motives of another hon. member, and I would simply say that the reason the hon. member for Essex East spoke as he did was because, as everyone in this house knows, his whole record is one which shows a deep and abiding interest in social welfare measures.

Mr. Ellis: The attitude of the C.C.F. toward the resolution now before the house was summed up in the amendment which we moved in connection with the reply to the speech from the throne. Of course we expressed our great interest and support of

the legislation forecast in the throne speech. We went on to urge the government to bring down this legislation at the earliest possible date. I was very disappointed that the Prime Minister did not see fit to keep one of his pledges prior to the election, that there would be a September session in order that the senior citizens might have obtained the benefits of this legislation at an earlier date. However, we are most anxious to facilitate the passage of this legislation, and we are very pleased that there has been this interruption in the debate on the address in order that the house might consider this matter with all dispatch.

We have established our position in this house over the years in unmistakably clear language. We in the C.C.F. have always maintained that the hallmark of a good society is the willingness of the society to take cognizance of the needs of those among us who through no fault of their own, either through age or infirmity, find it difficult to take care of themselves. Hence we have always believed that what we should have in this country is a comprehensive social welfare program that will provide for all our citizens a decent standard of living. Consequently for our senior citizens we have always thought that the old age pension should be based on the need to provide these people with an adequate standard of living.

We believe that the old age pension is not a question of charity; it is not a favour bestowed upon our senior citizens. It is a matter of right, a right of citizenship which over the years our senior citizens have made great sacrifices to earn. They have built this nation, and in their declining years have a right to expect from this society a decent standard of living. Indeed, I can wholeheartedly agree with the statement made by the Conservative party prior to the election in respect to the new national policy adopted by it and endorsed, of course, by its leader. I am going to put this on record, because it is something with which we in the C.C.F. find ourselves in complete agreement, and I suggest this a commitment made by the government to our senior citizens.

> We condem the meagre and niggardly assistance given to old age pensioners which leaves them in a position worse off in purchasing power than they were in 1951 when $40 a month was first established. No government worthy of its responsibilities can justify this picayune increase made to the old age pensioners. The Conservative party proposes to set the amount at a figure high enough to meet the needs of our older citizens.

I think we are in complete agreement with that. That same statement could have been made by the hon. member for Winnipeg North Centre or the hon. member for Mackenzie or the hon. member for Rosetown-Biggar. We agree that the figure established should be set at such a level as to provide to our senior citizens a decent standard of living. Now, then, what is the figure?

Well, 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. Ellis: Mr. Chairman, before lunch I had been discussing the commitment made by the present Prime Minister and his party to the Canadian public prior to June 10, and I had placed on record an excerpt from the new national policy under which the Conservative party had pledged itself to support the setting of the old age pension figure high enough to meet the needs of our older citizens. I suggest that the words "high enough" and the words "to meet the needs" are the most significant portions of that statement.

The question we must ask ourselves now is whether or not the present proposed increased rate does, in fact, meet the needs of our senior citizens. I do not believe that hon. members of this house would find it possible to live on $55 a month; much less, of course, would they be able to live on the smaller figure granted under the Liberal administration. But if we do believe that $55 a month will satisfy the needs of our senior citizens, then I suppose we can conclude that this pre-election commitment has been met at this time.

While we are very pleased that the increase is coming forward, we in this party must remind the government that we must move forward until we reach the stage when the old age pension is high enough—in the words of the Conservative statement—to meet the needs of the senior citizens adequately. We in the C.C.F. party have pointed out that in order to provide a minimum standard of living an old age pensioner requires approximately $75 a month, and hon. members may recall that earlier this year, during the last session of the previous parliament, my colleague the hon. member for Nanaimo moved an amendment asking the government to increase the pension rate to $75 a month. The present Prime Minister voted against that amendment and indicated that the amount was too high.

I suggest that if we want to arrive at a figure based on economic reality we must

take into account Canada's gross national product and satisfy ourselves that our senior citizens are getting their fair share of Canada's productivity. They would not be getting any special consideration, merely what they as citizens have the right to expect. Their just share of the national income would call for a pension of approximately $75 a month.

If hon. members feel that that figure is still too high, I would draw their attention to reports which have been made by various social welfare agencies in different parts of Canada. In one report dated August 1956 the Montreal social council agencies noted—and I shall quote the relative sentence—that an old age pensioner requires at least $70.87 a month in order to buy food and clothing, and shelter himself at current Montreal prices. That was in August 1956. Since that time the cost of living has increased, with the result that today the figure which we suggested last year of $75 a month is in line with the economic necessity of the moment. I suggest that if we are going to meet the objective of providing a pension high enough to fulfil the legitimate requirements of our senior citizens the amount this party suggested, namely $75, is the minimum which should be granted.

That was the attitude we took last session. I believe our position was valid then and, in view of the continuing increase in the cost of living, it is even more valid today. However, as I mentioned before lunch, the failure of the past government to recognize the needs of our senior citizens was one of the contributing factors in the defeat of that government. The $6 increase they brought forth did not meet with general approval throughout the country, and it appeared quite obvious that the new government was in a position where it would find itself in very difficult circumstances indeed if it did not proceed to grant an increase, and an increase which would have to be larger than the increase of $6 given by the previous government. Thus one may conclude that the figure of $55 contained in this amendment constitutes the minimum figure which could be arrived at by the government without running into serious opposition and criticism such as was encountered by the previous administration.

I am satisfied that the old age pensioners in my constituency were concerned about one thing, the amount of the increase. They knew that the political situation in this country indicated that some increase would be forthcoming, and the question they were asking was: what is the new pension going to be? Is it going to be $60? Is it going to be more, or less? I think the old age pensioners of this country had every reason to expect that the pension would be set at a figure of at least $60 a month.

During the last session the present Prime Minister voted against an amendment calling on the government to increase the pension to $75. He indicated that while he was opposed to the figure of $75, by implication, at least, he suggested that $60 might be a reasonable figure.

Mr. Diefenbaker: Just read what was said.

Mr. Ellis: I recall that at the time the then leader of the opposition suggested that the premier of Saskatchewan thought $60 would be a fair pension, and he endorsed the attitude of the premier at that time, so by implication he placed himself on record as supporting the idea of a $60 pension.

In any event, I suggest, while supporting this legislation, that we should bear in mind that there is a great deal more to be done and that this is only one step toward the kind of pension which we believe the senior citizens of this country deserve. Some people have told me that to them the $60 pension seems to represent a big increase. If this is so, if the increase seems to be large, it is because in former times our senior citizens have been so much neglected that they have been allowed to fall ever further behind year by year, to the extent that it required, not only one or two steps to bring them into line again with the others but several giant strides. However, I do not feel that because these pensioners have been neglected for so long by the former administration there is any excuse for not looking at the situation realistically now and setting the pension at a figure commensurate with the needs of those who will receive it.

Mr. Chairman, there are a number of other provisions in the resolution before the house. We welcome the proposed reduction in the residence qualification, but I suggest that the pension ought to be a right of citizenship and that the government might explore the possibility of lowering the residence qualification as suggested, I believe, by one of its own supporters the other day.

While the other recommendation with respect to increasing from three to six months the period of permissible absence from Canada seems to be a step in the right direction we feel nevertheless there is no justifiable reason for restricting the movement of our senior citizens. Today the old age pension is on a contributory basis. Every taxpayer in Canada through the payment of income tax and sales tax on his purchases contributes to his old age security. Why

then should the government say, "You will not have the right to go and live with your relatives in Utah, in the United Kingdom or in some other part of the world". Our senior citizens have earned their pensions and when in receipt of them they should be perfectly free to live anywhere they want to live. The proposed restriction of six months works a hardship on the people in the low income brackets. Those with means can leave the country in the winter months and return to Canada in order to protect their rights under the act whereas those who are not well off cannot do so. I believe the only fair way to deal with the situation would be to completely remove any restriction with respect to pensioners who desire to reside outside the borders of Canada when they qualify for pensions.

The proposed legislation before us today is regarded by those in the C.C.F. party as a step forward toward the goal which we in this group envisage. I mentioned earlier the work of the late Mr. J. S. Woodsworth in bringing legislation of this kind into this chamber in the first place. Since that time C.C.F. members both in the house and outside of it have fought to bring about a fair deal for our senior citizens. We are very pleased that there has been some recognition of the need for further increases but we call on the government to move forward in future sessions towards raising old age pensions to a level which in the words of the Prime Minister in the statement of policy issued by his party, "ought to be high enough to take care of their needs".

Is he convinced that $55 is sufficient to take care of the needs of senior citizens in providing housing, food and clothing for them? That is a matter of opinion; but I suggest we have a long way to go yet. We ought to move forward from the present legislation to the desirable goal of providing our senior citizens with the standard of living which they have every right to expect. In the meantime we in this group are happy that the present legislation constitutes a step forward toward the goal of this party of having a social security program that will guarantee to all Canadians who are unable to take care of themselves the type of standard of living which every Canadian citizen ought to enjoy.

Mr. Shaw: Mr. Chairman, unfortunately many hon. members of this house have had to listen once again while other hon. members went back 31 years through history in an attempt to convey the impression that one political party or another deserves more credit than the rest for the fact that we have old age pensions in Canada today. While the hon. member for Essex East was speaking and during the earlier remarks of the hon. member for Regina I could not help but think; does the Canadian pioneer citizen, or any Canadian in fact, give one hoot in hades as to what happened in 1926?

It is probably true as was stated, that in 1926 some of the Conservatives—or all of them perhaps—may have opposed pensions. It may also be true that the then prime minister of Canada with gun at head introduced pension legislation in 1926. Again it may also be true that Mr. Woodsworth and Mr. Heaps, not by argument but by political pistols held at head, played some part in causing a Liberal government to introduce that legislation. Regardless of what may have occurred in 1926, Mr. Chairman, it is a known fact that all parties in this country today are in favour of old age pensions of one kind or another.

We may disagree as far as the amount to be paid or the regulations under which it will be administered are concerned, but surely no one should have thought that by reference to history he could prove any party opposes it today or that one party deserves special credit because it exists. The behaviour I have described reminds me somewhat of the idea held by some people that if eight or ten members of a party speak on a certain issue and only one or two in another party speak on the same issue the party having eight speakers favours a certain proposition more strongly than does the other. That fantastic sort of notion is held by some people.

Prior to June 10 the Liberal government in its attitude toward pensions believed that in the light of all known facts, including other commitments, we should increase old age security by an amount of approximately 20 cents a day. It was also believed by the government that we should increase old age assistance payments by 20 cents a day, 10 cents of which the federal government would pay. This was their belief, their conviction. Obviously it did not meet the approval of a great many Canadian people.

With reference to the Liberal administration I might point out that quite apart from the amount paid to our senior citizens the attitude of the former minister of national health and welfare itself probably had as much to do with annoying Canadians in this matter as anything else I know because he had a habit of standing in the house and claiming for his government, if not for his party, all the credit for everything that had been done in the field of old age pensions.

I recall that on January 29 last in answer to a question in this house he quite brazenly

rose to his feet and claimed all the credit for, as he put it, his side of the house. You can well imagine how the citizens of British Columbia felt, how the people of Alberta felt and how the people of Saskatchewan felt upon reading that declaration by the then minister. His was the bad habit of claiming credit where he had no right to claim credit.

The Conservative government has now come to the conclusion that our senior citizens require an additional 30 cents a day, or approximately that sum. As far as those over 70 years of age are concerned, the federal government will pay the 30 cents per day. With regard to old age assistance the federal government will pay 15 cents and the provinces will pay 15 cents. Certainly I wish to express my deep appreciation of the fact that there has been an increase but I am not going so far as to agree that it is sufficient to provide a decent standard of living for our pioneer citizens who are dependent upon the receipt of their pension and that alone in order to meet the day to day cost of living.

It is definitely an improvement. I recall that when I first came to this House of Commons some 18 years ago our old age pensioners were receiving $20 a month. It did jump to $40; it did jump to $46; and now the proposal is to pay $55 a month. I have seen their status steadily improve, and I was pleased to note that the Minister of National Health and Welfare indicated that this was not intended as a final goal or the end-all as far as the amount of payment was concerned. I wish to express appreciation—and I know our old age pensioners will express appreciation—for that additional 30 cents a day. Let me also say, though, in connection with my observations that I do not feel it will enable those who are wholly dependent upon pensions to meet the cost of living, and that I also do not believe it is all that Canada can afford.

We talk of surpluses that worry us, surpluses of foodstuffs and surpluses of farm production. Our pensioners claim nothing more and deserve nothing more than a claim upon, as someone said, a fair share of that which is bothering us so much in this country, namely, so-called surplus foods.

The federal government has proposed that the period of residence for the purpose of qualification under the act shall be reduced from 20 years to 10 years. There may be some differences of opinion with respect to that action. I say the strongest argument probably in support of it is that it brings it into line with our Disabled Persons Act and our Blind Persons Act. The discrimination which existed heretofore certainly could not be justified. Personally, I am very much in favour of that period of required residence being reduced from 20 years to 10 years.

The government proposes to double the period of permissible absence from Canada. I have knowledge of quite a number of cases, Mr. Chairman, where persons, because of health conditions and for no other reason, were obliged to leave our country for a period exceeding three months, more particularly during the winter time. And it does seem to me to be somewhat of a tragedy that those pensioners should encounter difficulties with pension boards because of the fact that they had been absent for more than the prescribed period of time. I think that change is most acceptable.

It is an important step forward, as are the proposed increases in the total allowable income, inclusive of pension. But I still cannot understand, Mr. Chairman—and I hope the government will try to assist me in understanding—why the total allowable income, including pension, either in the case of a single person or a married person, should be less than the allowable basic deductions under our Income Tax Act, namely $1,000 and $2,000. I hope the minister will try to indicate why he did not see fit to provide those basic exemptions when so many of his associates, while members of the opposition, strongly advocated such a proposition.

Now, Mr. Chairman, as I speak of this it reminds me of something else that I believe I should mention to the minister. Under our regulations today we find so often that where a person's income may exceed the total allowable income during a given year, even by as little as $10 or $20, he has been told that he must wait for a year in order to submit a second application. We accept the fact that he should be permitted to have, let us say, $1,320 but he has $1,400. I am using these figures at the moment only for illustration purposes. He has earned that $1,320 or has acquired it through earnings and pension during the past 12 months, and it can be assumed that the basic allowance was the amount required to keep him during those 12 months. But we say that because you had $80 more than the allowable you must wait another year before applying. To me that is a tragedy without reason and without excuse. Surely, it would not hurt us to say, You have $80 more than the maximum allowable; therefore, you should wait 70/1320 of the next year. I say, even if you were to say that, you would be assisting so many of those who have encountered difficulties as a consequence of that provision.

Let me say also with respect to the regulations, in the past the former minister of national health and welfare always tried to claim, or at least create the impression,—I will be fairer to him and put it in that way—that these regulations were drafted as a consequence of the representatives of the provinces and the officials of his department sitting down more or less from scratch and drawing the regulations. The fact, of course, always has been that the federal authorities have drafted the regulations and the provincial officials have been called in in order to come to some uniformity as far as interpretation and application are concerned.

I trust that the present government will go much farther in permitting the provincial representatives to assist in drafting the regulations with respect to the Old Age Assistance Act, which is the one I am speaking of specifically. After all, let us not forget that even though the former minister of national health and welfare tried to create the impression this morning that the bulk of the cost of the pensions is paid by the federal government, the fact is that in some provinces at least that certainly is not the fact and therefore the provinces should have just as much say as has the federal government.

In my own province of Alberta, for example, it is true that the federal government pays the total cost of old age security but I must remind hon. members here that a substantial part of the revenue of Canada comes out of my province, far more than is paid back into it, in spite of Liberal propaganda in the last election. Because of our vast resources, because of the wise policies administered in the development of those resources, quite a substantial part of the revenue of this country comes out of my province. My province pays half the old age security; my province pays the total cost of administration; my province pays a supplementary allowance of $15 a month plus, with very limited exceptions, medical, dental, optical, and hospital services to those pensioners and to the dependents of those pensioners. Therefore, I say to you, why should not the provinces be given just as much say in the drafting of old age security regulations as the federal government itself has to say in the drafting?

I do feel, regardless of what the Conservatives may have said during the election, that they would have been wise, had it been possible—I am suggesting that it is possible; I see no obstacle—to have placed in those pension acts an escalator clause, a provision under which those pensions would automatically increase with increases in the cost of living index.

It would seem to me that the government could have escaped a lot of criticism; the house could have been saved a great deal of time and pensioners themselves could have benefited as the cost of living index rose. I think that was a provision that certainly should have been included in the legislation which is presently before us.

I am not going to occupy more of the time of the house, Mr. Chairman. We always supported the principle of old age pensions, whether it be old age security or old age assistance or whether it be other social benefits such as the disabled persons' pension and so on. We do not take a back seat to anyone in that respect, yet you never heard us claiming credit for all that has been done. I may even say in that connection that if people are going to start claiming the credit, they had better start in the provinces and not in Ottawa. They had better learn what the provinces themselves are doing to assist our pioneer citizens who are in receipt of pensions in one form or another. I say we do not take a back seat to anyone in this respect. We support and welcome the provision of these measures. We will probably be heard from again. The government will no doubt have us pressing them for a bit more realism so far as some of the provisions are concerned. But that does not mean for one moment that we are not grateful for those concessions that have been made. So far as I am concerned, Mr. Chairman, we have every justification for supporting them and we hope that the government will in every session of parliament which it might be fortunate enough to attend as the government go just as far as it has this time with respect to this matter.

Mr. Green: Mr. Chairman, this morning the hon. member for Algoma East—

Mr. Martin (Essex East): Essex East. They are interchangeable.

Mr. Green: Essex East — I apologize to the hon. member for Algoma East—in his best oratorical style set a rather controversial precedent for the discussion of this measure. This was a bit surprising to me because I would have thought that he would be the last member in the house to make a speech of that kind. It shows you what changes can come over a former minister when he becomes a frontbencher on the opposition side of the house. Just a few short months ago this very ex-minister introduced the Liberal plan for the senior citizens of this country.

Mr. Martin (Essex East): Will my friend permit a question? The former minister, about whom my friend is now speaking, did no such thing.

Mr. Green: That is not a point of order and it is not a fact, either.

Mr. Chairman, the member for Essex East was responsible for the old age pension policy of the Liberal party in 1957.

Mr. Martin (Essex East): What the minister said was that I had introduced the measure.

The Acting Chairman (Mr. Rea): Order. If the hon. member for Essex East has a point of order, I would be glad to hear it. Otherwise, the Minister of Public Works has the floor.

Mr. Martin (Essex East): We will deal with the hon. gentleman afterwards.

Mr. Green: We had a supplementary estimate introduced in the dying days of the session by this ex-minister.

Mr. Martin (Essex East): That is not true.

Mr. Green: No opportunity was given to the house for the adequate debate of this measure in that session. An announcement had been made many weeks earlier in the budget speech of the minister of finance as to what this former government proposed to do for these senior citizens. But there was no attempt made to bring about a discussion of the measure until the last possible moment, when the only thing that was done was to vote interim supply to cover the amount required for the matter of a few months to provide the increase of $6 a month. There was no adequate opportunity to debate this policy of the former government. I suggest to you, Mr. Chairman, that the hon. member for Essex East above all failed the senior citizens of Canada utterly just a few short months ago, yet today he has the nerve to get up in this house and try to lay all the blame on the members who now constitute the government. This is something which shows great nerve, to say the least. This ex-minister might well be dubbed the $6 minister. This $6 plan is the plan of himself and the former government, and it is on that plan that they must be judged today. The hon. member's talk today certainly does not fit in with his actions just a few months ago.

I notice that hon. members on the other side of the house smile. They think that the member for Essex East is on the spot, which he certainly is. I do not doubt that they are happy that he should be getting most of the blame, but the cold hard facts are that practically every Liberal in the house today, all but a handful, was in the house last spring. Did they raise their voices to say anything by way of demanding larger increases? They were quite happy to sit still and support the plan of their government—

[Mr. Martin (Essex East).]

Mr. Richardson: Not at all.

Mr. Green: —for an increase of $6 per month. Let them not try to say now, in October, that they think the Conservative plan is no good when they did not have the courage to stand up to their own ministers in April.

Mr. Pickersgill: May I ask the hon. gentleman a question?

Mr. Green: If you have a point of order, raise it.

Mr. Pickersgill: I was just—

The Acting Chairman (Mr. Rea): Order.

Mr. Pickersgill: I was just asking the hon. gentleman if he would permit a question.

Mr. Green: You know I won't.

Mr. Pickersgill: That is just what I expected.

Mr. Martin (Essex East): Closure.

Mr. Green: Not from the hon. member for Twisted-Billingsgate, anyway.

Mr. Pickersgill: Mr. Chairman, I am rising on a question of privilege.

The Acting Chairman (Mr. Rea): Order. Has the hon. member a point of order he wishes to bring up?

Mr. Pickersgill: No, mine is a question of privilege, it is not a point of order. I could not care less for myself, but for my constituents who live in the place where Canada was discovered, I think it is rather an insult from the Tory benches not to know the name.

Mr. Green: Mr. Chairman, I feel very sorry for the constituents of Bonavista-Twillingate also. The hon. member for Algoma East—Essex East—

An hon. Member: You are all mixed up.

Mr. Green: —in his covering-up speech this morning took refuge in the past.

Mr. Chevrier: The speech must have hurt.

Mr. Green: He went back to 1926 and he gave great credit to the Liberal party for bringing in old age pensions at that time.

Some hon. Members: Hear, hear!

Mr. Green: Well, I am glad hon. members can find something to be happy about because they are going to need it.

Some hon. Members: Hear, hear!

Mr. Green: But the hon. member for Regina City punctured that balloon and punctured it very nicely. He pointed out that the men to whom the credit should be given

for the enactment of the old age pension legislation in 1926 are the late Mr. Woodsworth, the late Mr. Heaps and Mr. A. W. Neill of Comox-Alberni, that grand old man of this house who is still alive and whom I had the opportunity to visit during the election campaign.

Mr. Martin (Essex East): What about the Conservative opposition of that day?

Mr. Green: These were the men who forced old age pensions on an unwilling Liberal prime minister.

Some hon. Members: Oh, oh!

Mr. Green: Then the hon. member for Essex East—

An hon. Member: Careful.

Mr. Green: —jumped from 1926 to 1930. He gave the late Right Hon. R. B. Bennett no credit for having increased the dominion's share of old age pension from 50 per cent to 75 per cent.

Mr. Martin (Essex East): He did not.

Mr. Green: Oh no, no indication of that.

Mr. Martin (Essex East): He did not do it.

Mr. Pickersgill: How did that help the old age pensioners?

Mr. Green: The hon. member's speech was just a plain political speech.

Mr. Martin (Essex East): Will my hon. friend permit me—

Mr. Green: I have got the floor. You had it this morning.

Mr. Martin (Essex East): Is my hon. friend—

Some hon. Members: Sit down.

Mr. Bell (Saint John-Albert): Save it for your convention in January.

Mr. Green: I have been in the house since 1935.

Mr. Chevrier: So have I.

Mr. Green: Oh no, you went out to a nice easy job a few years ago. On every occasion when there have been improvements made in the old age pension legislation they have only been made after prodding, kicking and all kinds of pressure brought on a reluctant government over a long period of time.

Mr. Gardiner: That is what the C.C.F. are going to say about you. What are you going to do then?

Mr. Green: Pressure was brought on them not only by members of the official opposition, the C.C.F. and Social Credit groups but also by a very few backbench Liberal members, and more credit to them. The minister had the effrontery—

An hon. Member: The minister?

Mr. Green: —to intimate that every improvement in the old age pension situation must be attributed to the Liberal party. Nobody but the Liberal party cares for the senior citizens of Canada or the other Canadians who need assistance of one kind or another. This is the old theme song that has been sung in every part of this nation for many, many years. Down in Newfoundland we had the Liberals saying that if the people did not vote Liberal they would have their old age pensions taken away from them. What a farce!

Mr. Pickersgill: Never said any such thing.

Mr. Green: In other parts of the country it has been the same. Out in British Columbia the people were told that if they did not vote Liberal they would lose all these welfare benefits.

Mr. Lesage: Your story is twisted so far as Quebec is concerned.

Mr. Green: Just a lot of cheap hyprocrisy but, Mr. Chairman, fortunately those days are now at an end.

Some hon. Members: Oh, oh!

Mr. Green: The Liberal party in 1957 stands for a $6 increase for the senior citizens of Canada.

Mr. Pickersgill: Didn't you vote for it?

Mr. Green: That is their announced policy. That is the policy on which they fought the election and that is one of the policies on which they received a very good licking. Times have now changed. We are now in 1957, and I suggest that it is not going to do these hon. members much good to run around the country when an election comes trying to tell about what happened or did not happen in 1926. They are going to be busy explaining what they stood for in 1957.

The hon. member for Essex East also said, "Why, there is nothing much to this reduction from 20 years to 10 years. We would have done that if we had been in power for another 22 years. We were just about to get around to that." I am quite sure that the people of Canada will realize what government it was that did take that step and made the change to cut the time from 20 years to 10.

The facts are these, Mr. Chairman. Hon. members of every party in the house have been interested in the welfare of the senior citizens of this country. This question should have been kept on that basis at all times, that we would all try to do the best we could for these Canadian pioneers. But the Liberal party has taken just the opposite tack. It is

always trying to take all the credit for everything that has ever been done for our senior citizens.

The hon. member for Essex East questioned today whether or not the present Prime Minister would implement his promises. The hon. member repeated certain press reports and insinuated in effect that the present Prime Minister was trying to pull the wool over the eyes of the senior citizens of Canada.

Mr. Martin (Essex East): That is right.

Mr. Green: The hon. member says that is right.

Mr. Martin (Essex East): That is right.

Mr. Green: I can only say to the hon. member that from the start the present Prime Minister of Canada has been on the side of those Canadians who are having the toughest time.

Some hon. Members: Hear, hear.

Mr. Green: That is his whole history. He fought his way up from poverty to his present position and at no time has he ever forgotten those Canadians who have the hardest time.

Mr. Chevrier: That is the position—

Mr. Green: Every member in the house who knows the present Prime Minister knows that is the case.

Mr. Chevrier: That is the position of the hon. member for Essex East too.

Mr. Green: Oh, keep still for a few minutes. Make your own speech if you like.

Mr. Chevrier: You should not take it away from him.

Mr. Green: In the Prime Minister's speeches in the house in the last 17 years, in his speeches on the hustings, in the way he has conducted his law practice, in his speeches in caucus and in private conversation this great Canadian who is today Canada's Prime Minister has always stood for the little people.

Some hon. Members: Hear, hear!

Mr. Chevrier: May I ask the hon. member a question.

Mr. Green: No.

Some hon. Members: Oh, oh!

Mr. Green: He stands for the little people of Canada today and they know it. Canadians from coast to coast know it because they know the measure of Canada's Prime Minister. They believe in him and they trust him regardless of their party affiliation. All this talk, all this questioning of the bona fides of Canada's Prime Minister on this issue or on any other issue is completely and utterly phony, dragged in to cover up the record of the previous government.

Mr. Lesage: Mr. Chairman, I have listened with great attention to the intervention of the hon. Minister of Public Works and I am afraid he has his facts twisted. As a matter of fact I have learned, as it was easy to learn in the campaign in which I participated in my own province of Quebec, that it was the candidates, speakers and organizers of the friends of the minister—the members of the Union Nationale—who were threatening to cut the old age pension and family allowance payments and that in spite of the fact they were not made by the provincial government. We of the Liberal party certainly never used such threats or suggestions as a means of getting elected anywhere. As far as we are concerned we have been the victims of that kind of electioneering in the province of Quebec. We have been the victims of the strange bedfellows of those who sit on the opposite side of the house today.

Now, the Minister of Public Works has challenged us to explain the $6 increase for old age security, old age assistance, disability pensions, and other pensions which were increased in the spring. Well at that time, if I remember well, the then minister of finance, Mr. Harris, seemed to feel that we could devote the sum of approximately $100 million for increases in the overall field of social security apart from the increases in pensions and allowances for veterans.

It would have been easy for the government of the day to propose that the whole of this increase of $100 million or thereabouts should go for old age security, old age assistance, blind pensions and disability pensions but we thought there was another class of little people which deserved recognition and I hope that the Prime Minister, who according to the Minister of Public Works is so concerned about little people, will during the present session think of these really little people, those who are in receipt of family allowances.

Mr. Balcer: That is the only election promise you fellows missed.

Mr. Lesage: I will mention the election promises of the Solicitor General in a few moments. We thought that the amount available, according to the minister of finance, of about $100 million should be divided between the various classes of recipients of social security payments. The minister of finance at that time, Mr. Harris, had no doubt in mind the fact that the government would be

called upon to spend each year the sum of about $200 million as its share of hospital insurance. I hope the present government has also been thinking of that and it is going to go along with that proposal relating to hospital insurance. It seems very difficult to obtain any assurance from the present government that they do intend to proceed with that hospital insurance program.

Mr. Monteith: There never was any doubt.

Mr. Lesage: Well, thank you for the assurance just given by the Minister of National Health and Welfare and I hope they do not have any trouble finding the necessary money without putting the country into debt.

Now, as I have said, at that time the minister of finance thought he could devote $100 million, part of it to be allotted for old age pensions and part of it for family allowances. The total amount of increase which is proposed today is the same amount as was proposed in the spring by the last administration, approximately $100 million, but all of it goes to the one class of people and there is nothing for family allowances. Why is there nothing for family allowances? Is it that the Conservative party is still against family allowances as we have been led to believe for years and years in the past, and as we were told by a former leader of the opposition?

I was not surprised not to see in the speech from the throne any proposal for an increase in family allowances; I was not surprised that it was not mentioned by the Prime Minister who, according to the Minister of Public Works, is all for the little people; I was not surprised not to hear it mentioned by the Minister of National Health and Welfare; I was not surprised, in spite of the election promises of the Conservative candidates in Quebec and the speakers around them. I have listened to the Solicitor General, who is trying to interrupt me now, over the television promising that the moment the Conservative party was in power it would double family allowances.

Mr. Balcer: I rise on a point of order, Mr. Chairman. On television I accused the Liberals for having kept the family allowance payments at the same amount for at least 10 years. I also mentioned the fact that they gave such a small increase during the last session, and perhaps I should repeat what I said on television—

An hon. Member: That is not a point of order.

Mr. Lesage: Of course the Solicitor General can enter this debate any time he wishes but what he is doing now is not raising a point of order.

Mr. Balcer: Get your facts straight.

Mr. Lesage: I have my facts straight; does the Solicitor General not remember that in 1956 he put on the order paper in this house notice of motion asking the government to consider the possibility of increasing the rate of family allowances in proportion to the increase in the cost of living since 1944?

Mr. Balcer: That is a fact.

Mr. Lesage: Well, I hope then the Solicitor General will convince his colleagues that it is necessary to do so in the interests of the people of Canada and I hope against hope he will so convince his colleagues promptly, so that early next week we will see in the name of the government and the Minister of National Health and Welfare a true copy of his notice of motion of 1956.

The Acting Chairman (Mr. Rea): I would just like to remind the hon. members that although I realize there are several resolutions on the order papers which are similar, we have been straying and straying. I hope all hon. members will help me and try to come back a little closer to the resolution we are discussing.

Mr. Nicholson: Mr. Chairman, I am glad I have you drawing this matter to our attention, and I can assure you I will confine my remarks to the resolution before the committee.

I think it is obvious to the people of Canada that it is no longer necessary to have in office a government with an overwhelming majority. It is quite certain that if the previous administration had been returned with the sort of majority they had before, old age pensioners would still be compelled to look forward to receiving $46 a month; and I am sure hon. members opposite will not successfully appeal to the Canadian electors and be re-elected with an overwhelming majority such as the Liberals had.

In my opinion we are getting this sort of legislation because the government cannot forever overlook the needs of 800,000 of our citizens. I should say, Mr. Chairman, that Canada has a very interesting scale of pensions. Last year the minister of finance reported in answer to some of my questions that the highest pension available in Canada amounted to $1,041.66 a month. You had to be a retired judge to qualify for that. The highest paid in the Department of National Defence was $1,021 a month, and the highest by the R.C.M.P., $875. Superannuated civil servants can look forward to a maximum pension of $875. If one old Canadian needs $1,041.66 a month it is not easy for me to

understand why the previous administration thought $46 a month was ample for another.

Before turning over the reins of office the previous administration did indicate that they were sorry for some of the people of Canada, and civil service salaries were increased in classifications of grade 6 from $5,460 to $6,300. That seems to be an increase of $75 a month. In grade 7 the increase was from $5,760 to $6,840, a difference of $90 a month. If you had the back luck to be getting a mere $7,000 a year, you received an increase of $1,300 or $100 a month plus a Christmas bonus of $100. I mention these things in passing, Mr. Chairman, to indicate that we did have money in Canada available for some projects. But in dealing with the old age pensioners the previous administration forfeited its right to govern because it stubbornly resisted meeting the responsibilities which they owed to this very large group.

Mr. Chairman, I received in the mail some time ago from an old age pensioner in Toronto, aged 74, a poem which calls attention somewhat graphically to the conditions in which some of these old people live. I spoke about this matter last session, but it was too late for anything further to be done. This is the poem—it is called "A Pensioner's Plea":

You may sing what a lovely day
I would like to join if I may
But first have mercy on poor me
Raise my pension, set me free
From the struggle, from the worry
So I may live. Oh please do hurry
Life that's shortened can't be sweet
When our needs are not complete
For, it's a pensioner I am
And I'm really in a jam
My rent nearly bleeds me dry
And no matter how I try
To live as God meant us to live
That forty dollars just won't give
Don't leave enough a dog to feed
What sort of life must I then lead?
The rich get more, the poor get less
Something our maker cannot bless
So, gents of Queen's Park, have a heart
Remember the poor, do your part.

This poem, "A Pensioner's Plea" was originally addressed to Queen's Park, Ontario but it was sent on to the House of Commons.

Mr. Chairman, I am sure the fact that so many people felt an increase from $40 to $46 was insufficient proved a major factor in turning out the previous administration. When the hon. member for Essex East was minister in charge of national health and welfare I drew to his attention an article called "Fourteen Days as an Old Age Pensioner", and I suggested that the former minister might be the leader of an all-party delegation which would try to live on a pension of that amount for a couple of weeks.

[Mr. Nicholson.]

Now that the hon. member for Essex East has fewer responsibilities than he had previously, and since he could take part without worrying about any reduction in his salary, I suggest he might find it possible now to join such a delegation. I suggest that the new Minister of National Health and Welfare might try to get one member from his party, and perhaps the former minister of national health and welfare could, as I have proposed, represent the Liberal party. I myself would be glad to volunteer as a representative of the C.C.F., and I am sure the Social Credit group would wish to send a volunteer to try living on $55 a month in any Canadian city which the minister cares to designate.

Now I would like to call the attention of hon. members to an interesting article which was written by Mr. William MacEachern, one of the reporters on the staff of the Toronto *Star* in which he tells about his two weeks' existence with a one burner hot plate, a frying pan, a teapot, $20 and his own resourcefulness. He advertised in the *Star* for living accommodation and he received a number of replies. However, when he explained that he wanted the room for his grandfather, people opened up with a barrage of questions: "How old is he? Is he in good health? Does he drink? Does he still possess all his faculties? Does he have any chronic ailments?" The author goes on to tell his story, and I quote:

Then I asked my all-important question: "How much?". They quoted a price, usually $10 or over, and I explained, "Well my grandfather is an old-age pensioner, he gets $40 a month, and he is looking for a somewhat cheaper place. He couldn't afford much more than $5 a week." I could almost hear the ice crackling on the wires. Then the inevitable "Oh!", a few hastily muttered apologies, and the click of the receiver.

After two weeks, this young reporter's experience was over. He wrote in his paper:

I walked down the street, turned around at the corner and took a last look at my home for the past few weeks—a home with friendly hearts and cold rooms—a home that symbolized thousands of drab, cold rooms where our country's elder citizens wait for death, death the great repriever, not death the great leveller.

I had three cents in my pocket—the last of a $20 fortune. I tucked two of them away in a little compartment in my wallet—a reminder of 14 long, lonely days. I dropped the third penny into a weighing machine and watched the blurry figures whirl by—it stopped close to 157. When I started my life as an old age pensioner two weeks ago today I weighed 168.

Apparently, the readers of the *Star* were so interested in these articles that a great many of them wrote letters to the paper giving the author some hints on how he might have tackled the problem. One recommended, for example, that he should eat porridge for breakfast because it was cheap and filling; that he might economize by buying day-old

bread for 12 cents a loaf, and so on. Another chap suggested that he might get the young lads to catch sparrows for him; five sparrows could be bought for a cent, and if the authorities caught you you would not have to spend any of your pension for the next 30 days because during that time you would eat regularly in jail.

Well, the pension is to be increased to $55 and I am sure there is not a member in parliament who will vote against it. It is certain that $55 a month is a big improvement over $46 a month. I think we should not lose sight of the fact that while the Prime Minister was cautious he did give the impression that if he were Prime Minister he would not be satisfied with less than $60 a month.

While the hon. member for Regina City was speaking the Prime Minister suggested that he should quote the record which is exactly what I propose to do at this time. I have with me *Hansard* of March 28, 1957. When discussing the budget at that time the present Prime Minister, as reported at page 2774 of *Hansard* of that date, said:

> As far as old age pensions are concerned, we believe the increase is totally inadequate for the needy; it is niggardly and paltry.

He was soon interrupted in his remarks but he continued to speak at some length. He was critical of the amendment moved by the hon. member for Nanaimo who had suggested that the pension should be increased by an amount commensurate with the increase in the gross national product since 1949, which would call for a pension of approximately $75 a month. At page 2781 of *Hansard* of that date the present Prime Minister is reported as saying:

> I mentioned at the beginning of my remarks that the increase of $6 in old age pensions and the increases in blindness, disability and other pensions was simply a sop to political expediency . . . I would be remiss if I were to hold out promises which could not and will not be met.

He made it perfectly clear he was not prepared to support the request for $75 a month but he referred to what has been done in Saskatchewan and mentioned that the Saskatchewan government saw fit to pay up to $60 a month for those in the 65 to 69 age group and gave the impression that because $60 was the maximum in Saskatchewan it would be a fair amount.

Later in the session on April 11 when the house was discussing the proposed increase in pensions I found myself facing a barrage of questions from the Conservatives who at that time were sitting on my right. When participating in the debate I referred to the fact that the present Prime Minister, then the hon. member for Prince Albert, said he could not support our proposition. As reported at page 3444 of *Hansard* of that date I said:

> The Conservative party has not said anything. There is an election coming on and no member of the Conservative party has set out that their program calls for $48, $49, $50 or $60, or what have you. No one has said this is what our program calls for.

Then an interjection occurred which is not attributed to an identified member. The name of the hon. member does not appear but it is my recollection that it was the present Minister of Finance who interrupted me and said:

> Our leader said today $60—what are you talking about?

At any rate the interjection was contributed by a Conservative. I replied:

> No, he said something like Saskatchewan.

The hon. gentleman who interrupted me then said:

> An hon. Member: Well that is $60.

Certainly the people of Canada had reason to expect that if the present Prime Minister was the leader of the government the pension would be increased to at least $60 a month.

A brief carefully prepared by the president of the national old age pensions federation has been sent to the Prime Minister, the Minister of National Health and Welfare and all members of parliament urging that action be taken to raise the pension to $60 a month payable without a means test to all citizens who have attained the age of 65 years.

I suggest that while the present administration can take a good deal of credit for the fact that the 800,000 people who are in receipt of this pension are going to be given an additional $9 a month I think it must not overlook its firm commitment that the elder citizens of Canada would be given a return that would provide them a fair share of the national income.

The wealth that is available in any country does not belong to the small group of people who happen to be in the prime of life at any particular time. We enjoy the many benefits available now as a result of the sacrifices and contributions made by our parents, grandparents and great grandparents who cleared the bush, opened up the country, built the railways, developed our resources and made possible the establishment of the modern services available to us. Many people find when they reach the age of 45, 50 or 60 they are no longer wanted in this modern age. It is not feasible that we should put our elder citizens on the shelf and deny them a fair share of the goods and services available. In view of the large surpluses of wheat in Canada, the stocks of butter in our stores and the abundant supply of apples and

other fruits and vegetables I cannot think of any reason why every elder citizen in this country should be deprived of the maximum quantity of food he requires. Considering the high rents demanded, particularly in our larger centres, there is no doubt that even with a pension of $55 a month many pensioners will be deprived of a balanced and adequate diet.

While I am pleased to support this measure I must say we should not allow the present administration to forget the commitment that was made and accepted in good faith. I hope the government will never forget that one of the major reasons the Liberal government was defeated was because it broke faith with Canada's senior citizens.

(*Translation*):

Mr. Gour: Mr. Chairman, I would like to say a few words with regard to the resolution now under discussion. To my mind these resolutions on social legislation are most unfair.

I must say that the Conservatives are very lucky, every time they come into power they find that the country is enjoying remarkable prosperity and that its financial situation is very stable. However, I hope that this time they will not do as they did between 1930 and 1935 and that they will not bring this country to the brink of bankruptcy and that, as was the case at that time, people will not be put in a position where they will be unable to provide themselves with the necessities of life.

Mr. Chairman, though I favour improvement of these social measures, I still believe that grave injustice is being done to the people, because no account whatever is being taken of one of the fairest of the social enactments at present on our statute books, family allowances. I believe that the rate of family allowances should have been increased, as was done in the case of the veterans' allowance and old age security benefits.

I therefore favour these resolutions but hope that the Conservatives will not stay long enough in power to ruin this country and thus make it impossible for us to pay out or to increase these benefits.

When we Liberals were administering the affairs of the country, we increased allowances payable under our social security legislation. Had we been re-elected, we would have gladly increased the veterans' allowance as well as old age benefits, not only by $9.00 but by $10 or even $15.00, as soon as the financial position of this country would permit. We would have done likewise with regard to family allowances.

[Mr. Nicholson.]

I therefore endorse the resolution on the understanding that the hon. Minister of National Health and Welfare (Mr. Monteith) will, by next week, submit another resolution increasing family allowances by at least $1.50 a month for each child under 16 years. On this condition, I approve the resolution, and I hope that the hon. Minister of National Health and Welfare (Mr. Monteith) will be generous enough to propose such an increase.

With all the millions we left in the treasury, it will be easy for the Conservatives to suggest such increases, but the fact remains that they can do so because of the sound administration of the Liberal party, which has given to this country a period of prosperity unequalled in this world.

However, I am afraid that, if my hon. friends opposite remain in control of this country for two or three years, the situation of 1930-1935 will recur, and nothing will remain in the treasury to pay out those benefits. I therefore urge the hon. Minister of National Health and Welfare to submit another resolution with a view to increasing family allowances by at least $1.50 a month for each child under 16 years, and this is my only stipulation in approving this resolution.

(*Text*):

Mr. Macdonald (Vancouver-Kingsway): I feel quite sure that the people of my constituency will welcome the gains contained in this resolution, but I think they will feel that the amount proposed is not realistic in terms of the rising cost of living at the present time. I should like to tell the committee very briefly just what that rise in the cost of living means. In the last year alone rising prices, like a thief in the night, have stolen from pay envelopes and pay cheques $3.50 out of every $100. The year before the rise in prices was two per cent, which means that in those last two years $5.50 out of every $100 in a pay envelope, in a pension cheque, in a housewife's budget, has disappeared. And the rise in prices is continuing today, particularly in the last few months, in food prices. In view of that, and in view of the fact that I have not heard one word from the government benches as to how they are coping with this problem at the present time, $9 is simply not adequate. I plead with the government at least to consider the suggestion that has been made that whatever increase is finally arrived at in the bill be subject to periodic increases in accordance with rises in the cost of living.

I think the committee should know that too often increases in the old age pension go not to the pensioners but to landlords. Too

often, as the increase comes out, that increase is literally absorbed by increases in the pensioner's rent. Again, I say, until you have, as you have not today, a low-cost housing program in this country, the proposed increase is inadequate.

I join with those who have asked that the length of permissible absence from Canada be increased, not to six months but increased so that there is not any restriction at all. I think the committee knows that in the United States the pension is payable regardless of residence. I think the same is true of Great Britain, and I think it should be so here, because so often the fact is that a pensioner wants to join his family perhaps living in the United States or in some other part of the world. Often it is a fact, as I know from some cases, that the pensioner is advised on doctor's order to go south to a dry climate, perhaps to Mexico. Today, of course, he cannot take his pension with him.

That pension is something that has been earned and paid for through the taxes that the pensioner has paid, particularly in his working years, and it is not a matter of something being paid by way of charity; it is a matter of a rightful return to the pensioner of part of the wealth that he himself has created in his working years. Therefore, I say, if the pensioners have to move, if they want to move, we should permit them to take their pensions with them.

Finally, I want to comment as favourably as I can upon what was said by the Minister of Public Works in this house. He reminded us that many of these social gains are made from—I think the words were—"prodding and kicking" and I suggest that is as true today as it ever was. I agree entirely with the hon. member for Mackenzie who said that the composition of this house at the present time had something to do with the increases the pensioners are getting now.

Sometimes it is said that a minority government is hard on the members of this house. We never know when we will be wearing out our shoe leather in another election campaign. Perhaps we will work harder for that. Perhaps it is harder for a minority government; but perhaps they will work harder because of that. A minority government may be hard on us in this quarter of the country but I suggest it is a break for the Canadian people. I suggest some of the gains we are getting now are the result of the composition of this house. I suggest it would be a black day for Canada if we had in this house a lopsided majority of Conservative members able to ignore the wishes of the Canadian people. I feel sure that, for future social gains, the people of Canada will very wisely realize that the composition of the parties in this house has a great deal to do with just how much progress is made.

(*Translation*):

Mr. Dupuis: Mr. Chairman, I believe it is my duty to deal with this matter, first because I represent a Montreal constituency in which there are two old people's homes: the Gamelin Home and the Sainte-Brigitte Home. The first is under the direction of the reverend sisters of Providence and the other under the Little Sisters of St. Francis. I therefore take this opportunity of expressing to the two religious orders which operate those homes our sincere thanks and our admiration for them.

In rising to take part in this debate, I must first say that I will gladly support the resolution we are discussing, a proposal which will mean a substantial addition to the amount of pension paid to old people. I do so with all the more conviction because in the past I have always stood for an increase in old age pensions. I am therefore consequent when I say that the government is now taking a step in favour of this class of people. It does so no doubt in order to implement campaign promises but that is nonetheless an achievement which we should appreciate at its value.

However, Mr. Chairman, I beware of the Greeks even when they are bearing gifts. I am not too sure how to translate this in Latin but—

An hon. Member: *Timeo Danaos et dona ferentes.*

Mr. Dupuis: Mr. Chairman, this is the first time I have been speaking Latin in this house and—

An hon. Member: It is not Latin, it is Greek.

Mr. Dupuis: Forgive me; Latin is Greek to me.

As I said, Mr. Chairman, I beware of the Greeks even when they are bearing gifts, especially when we consider the stand taken in the past by the Conservative party with regard to various social measures which were proposed in this House.

I support this resolution for a further reason. It is because in my last speech in this house, during the first session of 1957, as you will see on page 507 of *Hansard*, I took the defence of this class of old people and urged the government to consider the advisability of paying old age pensions when people reached the age of sixty, because old people find it very difficult to obtain employment today.

In fact, it is admitted that today a man of forty does not easily find employment. It is of course all the harder for a man in the sixties. I therefore repeat my request that pensions be paid to old people when they reach sixty years of age unless consideration is given to the advisability of granting pensions to all people aged sixty-five or over without the means test.

However if I rose to take part in this debate, it was not only to approve the government's decision with respect to old people but particularly to blame it, as was done today by the hon. member for Montmagny-L'Islet (Mr. Lesage), for failing to submit any plan to help out large families by increasing family allowances. Admittedly a great many old people are in need of assistance, as all hon. members have agreed. When old people are in need, sometimes their children come to their help, thus filling a duty they owe to their parents. However, in the case of large families, most of the time the breadwinner is alone in assuming the support and care of his family. He is the one who, with very limited resources, must face the numerous problems which beset a large family. It seems to me that while taking care of our older people, we should pay particular attention to the fathers of large families who have difficult problems to solve, problems which crop up from day to day, such as illness in the home.

Every day, or at least every week, people come to our offices to show us hospital bills running up into the hundreds of dollars, which they are in no position to pay because of their insufficient means. That is one of the problems facing the father of a large family who must see to it that his children are clothed and provided with certain necessities so that they may attend school, and on top of that is faced, in case of illness, with very heavy obligations.

Mr. Chairman, I believe we should take particular account of the fate of these large families by considerably increasing family allowances.

And as was stated a moment ago by the hon. member for Montmagny-L'Islet, I must say that I doubt we can achieve this result, even though we make the request. If by any chance we did so, I would be the first to rise to congratulate the government on having brought about a reasonable increase in family allowance benefits. Still once more, I must say that I am very doubtful that this can be brought about if we think of the stand taken by the Conservative party, —and I repeat that—regarding every social security measure introduced by the Liberal party. Let us remember that a few years ago the former leader of the opposition went up and down the province of Ontario saying that he saw no reason why bonuses should be paid to the children of the province of Quebec.

That attitude in itself hampered the efforts of the Liberal leaders who always tried to ensure national unity. Moreover, it was also, —and the word may sound unkind—a callow attitude with regard to the heads of families. It was a lack of understanding in respect of the social issues and the way to handle them.

Mr. Chairman, I was just saying that we have not had any legislation to increase family allowances submitted to us. If, however, our remarks made on this side of the house with regard to social measures had the happy result of bringing about an increase in family allowances, we would be the first to congratulate the government and, at the same time, to recognize the merit of those who would heed our representations.

As some hon. members have already mentioned, the step taken by the Conservative party appears to be very significant. In fact, the government is asking us to vote a sum of about $90 million; now, if I may once again use the words of the hon. member for Montmagny-L'Islet, this sum is about equal to the one mentioned at the time of the last estimates, but for both classes, that is our senior citizens and the children. Therefore, Mr. Chairman, in closing I repeat that I support the resolution now under consideration, and I would ask the government to consider kindly and seriously, the possibility of increasing the rate of family allowances, because heads of families have to face even more onerous problems than our senior citizens.

(*Text*):

Mr. Winch: Mr. Chairman, I have been listening with a great deal of interest to all of this discussion on the resolution and I must admit I am not quite certain whether the government and the official opposition are waging the recent campaign all over again or whether they believe they are now on the hustings ready for the next election.

Mr. Dupuis: What are you doing now?

Mr. Winch: I shall tell my hon. friend exactly what we are doing. We are the only ones who are repeating the same policy we have been putting forward here year after year.

Mr. Dupuis: The same with us.

Mr. Winch: My friend says, "The same with us." They seem to have forgotten the spring session already. Boy, wouldn't they like to forget it! We are just following today the policies that we have been continuously outlining, knowing that they are necessary, on behalf of the old people of this country and bit by bit steps are being taken so that perhaps eventually you will catch up with the correct policy which is the C.C.F. policy.

However, I did not rise to speak about that. It was the interjection that brought it up. Let me tell hon. members that unless you come to that policy rather quickly, after the next election there will not be as many of you here as there are now. The reason I have risen to speak is that, ever since the announcement of the introduction of this legislation was made all the mail I have received deals with one phase in particular, already mentioned but I feel it must be mentioned again, and that is the reason why our senior citizens have not received, and apparently are not yet going to receive, the right to spend their pensions wherever they want to spend them. Why, on a humanitarian and generous basis, can the senior citizens not spend the rest of their lives either with their children in the United States or their brothers and sisters in the United Kingdom or whereever they want to go?

This point has been emphasized, and I merely raise it again so I can ask the minister whether, before the motion is put, he will explain to this house, so the members can explain to their constituents, the reason he will not put this principle into effect. It is not going to cost the government any money, but it does make a few people a lot happier. If the minister is not going to do it, he could at least have the decency to get up and explain why.

Mr. Pickersgill: I want to make a very few observations on the proposed legislation and I say at once, sir, I am going to support it. I am going to support it, but it does present a real problem for all of us who are conscientious representatives of constituents on the Atlantic seaboard. The effect of the legislation the government is now proposing will be—perhaps not for anyone more than myself and the hon. members for Burin-Burgeo and Grand Falls-White Bay-Labrador to give to the retired adults in many of our communities larger incomes than those of the working members of their families who have to contribute through the sales tax towards the payment of these pensions.

The Minister of Public Works, with his customary eloquence and his well-known admiration for the Prime Minister—for which we honour him—gets up and tells us how the Prime Minister has devoted his life to the service of the little man. I do not think any of us who represent a constituency in the Atlantic provinces has any doubt who is the real little man in this country. He is the producer in that part of the country by the Atlantic, particularly in my constituency and in the province I represent, where everything that is produced and sold outside of the province, almost without exception, has to be sold outside of Canada in world markets at world prices.

I do not think there are any of us who feel at all ungenerous about doing these things to help the people in other parts of Canada who need help, and we certainly do not begrudge anything to the older citizens. But we do feel that a government that pretends to be treating all parts of Canada equally has to take some account of those people in this country who really have the low incomes. That will not be done just by putting phrases in the speech from the throne, empty phrases at that sir, about national development programs which when you examine them consist merely of two projects that have been discussed for years, and nothing new at all.

An hon. Member: Nothing was done.

Mr. Pickersgill: Some of us represent, as I do, constituencies where the fishery has been poor, where the income is going to be a great deal less than it was a year ago. I am not blaming the government for that but it is a fact, a fact which the government, if it professes to be equally interested in all Canadians in all parts of the country, should be just as much concerned about as they are about the plight of the old age pensioner or the plight of the wheat grower, because a fisherman can starve just as effectively as can a farmer. There are going to be a great many people in the eastern part of this country, fishermen and woodsworkers, who are going to be much worse off this winter than many of the old age pensioners.

I agree quite heartily that this measure is necessary because I am convinced that by spring the old age pensioners are going to need this money badly because the government is making no effort whatsoever to control inflation and to keep down the cost of living. For that reason the pension of $55 is probably not going to be worth much more

by next spring than Mr. Harris' $46 pension was last spring. That is my prediction, and we shall see what we see about it.

I rose for another reason. I did have the honour until June 21 to be the minister of citizenship and it was drawn to my attention on many occasions, when I was serving in that capacity, that there was a real sense of grievance in this country because of the fact that people came here from other countries, became citizens of this country and, having become citizens, having lived here five years or sometimes more than five years but not twenty years, they seemed to be second class citizens because, in respect to old age security, they were not eligible for the benefits. I know the historical reasons for that, and I am speaking only for myself when I say this.

I recognize that the minister probably cannot do so in the case of these other pieces of legislation where the costs are shared with the provinces and where, because there is a means test and for other reasons it perhaps is more difficult to do, but so far as old age security which is paid as a matter of right is concerned, it does seem to me, speaking for myself, that this country is big enough, rich enough and generous enough that the residence limit could be reduced to five years and that old age security could be paid as soon as a person becomes a citizen of Canada.

I recognize that over the next quarter of a century there may be a handful of people who might retire in some other country and come to Canada to take advantage of us but I do not believe this would be a matter of any importance. I do not think it should weigh in the balance in comparison with the feeling of equality that such a change would give to those people who have come here to live, who have become citizens, who have embraced what they regard as our equal citizenship.

I dare say that some hon. gentlemen opposite may say, why did you not persuade your colleagues to do that last year. Well at the risk of being accused of betraying cabinet secrets, I will say that I did try and I was not successful. I am now trying to convince the government opposite and if the minister will do this I can assure him that as far as I am concerned I will give him full credit for it because I think it is the right and proper thing to do. I think it will be done eventually and, because I believe very sincerely that it should be done, it seemed to me it was only right and proper that as a conscientious member of the house I should say so now.

[Mr. Pickersgill.]

Mr. Hardie: Mr. Chairman, we have heard a lot today from all sides of the house regarding the last election campaign and to whom credit for social legislation of this sort should be given. Today we heard the hon. member for Regina City say that back in 1926 two labour members were responsible for forcing the Liberal government at that time to introduce old age security. He also told the story that the gun was held to the Conservatives' heads but he would rather have had them blown off than do anything about it.

The basis of Liberalism has always been to help the poor people, the little people of the country. Throughout many years as the government of Canada we have introduced legislation for the people in our population who have not done so well. For instance, the budget we brought down last spring totalled approximately $5 billion and of that total budget of $5 billion $1,500 million went to social security. I have no argument today with the amount by which the present government is raising the pension.

Mr. Cardiff: One hundred million went to arts and culture.

Mr. Hardie: We and all members of the house feel that our senior citizens should be given assistance. I am not arguing about the amount. In the four years since I first entered the house every time we brought in a piece of social legislation or any type of legislation it was always, in the view of the three opposition parties including the present government, too little and too late. Out on the hustings during the last election campaign the C.C.F. party said that they wanted $75 a month. They are not objecting to the bill because it does not make provision for payment of $75. The Social Credit party was going to give pensions of $100 if they were elected and the present government was going to raise the pension to $76.50.

Mr. Montgomery: Not in New Brunswick.

Mr. Hardie: I have taken this information from the national party advertising that went to every province, including the Northwest Territories. The members of the C.C.F. group particularly have come here and are trying to tell us today that they have forced every government to bring in social legislation of this or any other kind.

The C.C.F. government of Saskatchewan, the only provincial government where these people have any majority, last year paid $575,000 to the old age pensioners of Saskatchewan while the federal government was paying $23 million. For every dollar we spent on old age security in the province of

Saskatchewan the Saskatchewan government paid 2½ cents. These people are making a great deal of noise over half a nickel.

In my riding the old age pensioners will be a great deal better off this winter than a large portion of the people who are able to work. The price of fur as you know has gone down to rock bottom; our lumber industry is shot. These people over the past 10 years have averaged about $400 a year in earnings.

An hon. Member: The Liberal government's policy.

Mr. Hardie: The Liberal policy—well, I will tell you something. As far as I am concerned and as far as the people of my riding are concerned, we raised the pensions last year by $6 for all the pensioners of Canada, not only the old age pensioners. We raised pensions by that amount because we thought at that time it was all the taxpayers of Canada could afford.

Mr. Cardiff: You thought at that time they would put you back in office and they didn't —that's why you did it.

Mr. Hardie: We didn't do it for that reason at all.

An hon. Member: Oh yes, that is what you did it for.

Mr. Hardie: You have tried to fool people that is why we did it.

An hon. Member: They made a higher bid over there.

Mr. Hardie: You people made a bid after we left here last year. You made a bid of $76 for pensions, the C.C.F. $75 and the Social Credit as high as $100.

Mr. Cardiff: We are bringing our promise into effect.

Mr. Hardie: It was $76—if you want to read it in your national advertising—with the Prime Minister's picture right on the front. There are several things that should be done by this government to help the people, not only in my riding but the people of Canada generally. Unemployment is facing us every day; the storm signals are up. Yesterday we passed $150 million for the western farmers; today we are going to pass another $96 million for the old age pensioners. We are discussing it but it will pass.

Now I am giving a warning to my friends across the way. They said they were going to cut taxes and do all these things as well. I say this: the storm signals are up boys. Unemployment is increasing every day. Do not come back next year and ask the people of Canada to increase the taxes. If you do go to the country—

An hon. Member: Be careful.

Mr. Hardie: Yes I will be careful—

Mr. Cardiff: That's the only thing you are afraid of, going back to the country.

Mr. Hardie: Oh, no, we are not afraid of it; oh no.

An hon. Member: You have to fulfil your promises in the Conservative party. Where is the haste?

Mr. Hardie: I want to see some of these election promises fulfilled before you go to the country. We do not want to see a budget come down next spring and then have you go rushing to the people with no intention of fulfilling these promises. I am going to support this legislation—

Some hon. Members: Hear, hear.

Mr. Hardie: Yes, I am not going to say this lightly—but as I said a moment ago, I am not going to squawk that it is not enough, as you people have done in the past and some of my other friends over there in the C.C.F. and Social Credit groups have done. I am just warning you that I am going along with this because I feel or I think that you may have enough sense to see your way clear to doing this and all the other things—

Some hon. Members: Hear, hear.

Mr. Hardie: —you promised to do, without increasing taxes. However, I really do not think the present government has given any thought to what is going to happen in this country next year, no thought at all. They are bringing in this legislation, $150 million yesterday and $96 million today. We will have a few more handouts and then they will bring in a budget, promising the people of this country a lot of things and will go to the people with all these promises in the budget, having no intention of doing all these things because of the utter impossibility of doing so.

Mr. Cardiff: Do you think this looks more foolish than giving $100 million to arts and culture?

Mr. Pickersgill: Didn't you vote for it?

Mr. Hardie: I am not saying that one was any different from the other. I am just saying that you are spending money and you promised a reduction in taxes. You have got a lot of other things to do. Now if you ask questions about cash advances and compare that subject to this one, I want to tell you that you had better do something about

the fur industry and you had better do something about the lumber industry in this country. Yesterday we passed $150 million for one primary producer and forgot about all the rest of them. Today we are passing legislation for the old age pensioners and, as other members have said, we all agree that the people of this country deserve a portion of the national product.

But how about the other people? How about the widows' pensions, how about, as our other friend said, family allowances? Mr. Chairman, I didn't intend speaking today—

Some hon. Members: Hear, hear.

Mr. Hardie: You laugh. When you go back to the people next time my boy, or my boys—

An hon. Member: There will be twice as many of us here.

Mr. Hardie: Oh no, the laugh is going to be on the other side of your faces because somebody has got to pay for all the things you people are going to do, or have promised to do. I do not think you can come through with one-fifteenth part of the promises you made to the people of this country. I do not think that this party lost the election over the $6 increase in the old age pensions.

Mr. Cardiff: What did they lose it over?

An hon. Member: You outpromised us.

Mr. Hardie: The phony promises you monkeys over there on the other side of the house have made, but while you can fool people some of the time, you cannot fool them all the time.

Mr. Cameron: Many years ago when I was a small child I was taught that courtesy, besides being the ethical thing to do also paid big dividends and I discovered the truth of that this afternoon when I made way for my hon. friend the member for Mackenzie River because if I had not done so I would not have had the privilege of listening to him before I made my own speech. I really must deal with some of his gems to start with.

I am rather astonished that the hon. member who said only six months ago that all the taxpayers of Canada could afford would be $46 per month—and that was the reason why he supported his government at that time—now, six months later, has decided that the taxpayers can afford $55 a month, because he tells us he is going to support this measure.

Mr. Hardie: I qualified that statement.

[Mr. Hardie.]

Mr. Cameron: In addition to that he has spared no pains to point out what is obvious to everyone I imagine, even to the government, that economic conditions have worsened since the time the previous government brought in the $46 measure, a strange concept, it would seem to me, of his responsibility as a representative of the people. One of his primary duties is to keep a careful watch on public expenditures; to see that they are wisely made and that they are not in excess of the capacity of the Canadian economy. Feeling as he does, I cannot understand why he is supporting this measure.

I, on the other hand, am quite confident that not only can the Canadian economy well afford the increase which the government is proposing, but that it can well afford a great deal more. I would point out that in 1949, when the $40 pension was established, our gross national product stood at $16.4 billion. Today, in 1957, it stands, according to the latest figures issued by the dominion bureau of statistics a few days ago, at $31.7 billion, a figure which is almost double the gross national product in 1949.

Mr. Marler: In what year is the hon. member beginning his calculations?

Mr. Cameron: In the year the $40 pension was established.

Mr. Marler: 1951?

Mr. Cameron: 1949.

Mr. Marler: It was established in 1951.

Mr. Studer: What percentage of the national wealth came from the socialists?

Mr. Cameron: I would suggest—though I can quite understand their reluctance to do so—that former ministers of the cabinet should make their own speeches rather than interrupt those of others.

Mr. Marler: I was not interrupting; I was asking a question.

Mr. Cameron: I am telling the hon. member that the gross national product in 1949, when the $40 pension was established, was $16.4 billion. Today it stands at $31.7 billion, which is an increase of nearly 84 per cent, if my calculations are correct. On that basis alone the figure we presented in this house earlier this year of $75 as a reasonable level for the old age pension would have been well justified, because on the basis of the proportion of the gross national product devoted to these social services the pension today should be $74.88.

There is, of course, another manner by which we might calculate the real value of the pension being paid. As I myself placed on record earlier this year, the $46 pension

which was brought in last session was actually only $37.18 in terms of the 1949 dollar. Today it is rather less than that. Today, owing to the continual rise in the consumer price index, that pension amounts to $37.26 in terms of the 1949 dollar, and this new increase will, if my calculations are correct, bring it up to some $45 in terms of the 1949 dollar. So we are apparently going to give our old age pensioners some five real dollars more than they were getting when they were receiving a $40 pension.

It is suggested we cannot afford any more. So that we shall not be relying entirely on statistical evidence, I want to refer to a news item which appeared in the Ottawa *Journal* yesterday, datelined from Vancouver. This, I am sure, will be of great interest to the Conservative members of this house because it refers to a speech made by a Conservative member of the Ontario legislature in Vancouver, addressed to a number of fellow real estate operators. He advises the benighted inhabitants of British Columbia, to which province I belong, to focus their efforts on encouraging the immigration into British Columbia of the working classes because, as this gentleman said, there is no place there for a rich man to spend his money.

I am quoting that, Mr. Chairman, in order to prove that we apparently have in our midst a number of people who experience some difficulty in finding avenues of expenditure for their incomes. Speaking as a British Columbian, of course, I must confess to a certain sardonic and, perhaps, slightly snobbish amusement that a Toronto real estate operator should find the social and economic opportunities in British Columbia so limited. Admittedly there may be less opportunity in my province for the sort of vulgar ostentation which some people seem to regard as the outward mark of social fitness, although we do have a few millionaires ourselves. But I can assume that we have in this country now, by their own confession, people who may well feel that with their rather limited concept of the purpose of human life and in order to function properly in society they must find avenues for conspicuous spending. That being the case, Mr. Chairman, I think it is rather too early for us to suggest that the Canadian economy cannot afford the sort of pension which this group has been advocating over the past two years.

We are told, of course, that it is dangerous to increase it any further because of the danger of inflation. Unfortunately, the rug was pulled from under that argument by the man we hire to look after our money supply in Canada, the governor of the Bank of Canada, who earlier this year told us that the inflationary pressures, with which he was very much concerned, and about which I would remind the hon. Minister of Citizenship and Immigration the previous government did nothing, were caused by the vast, booming capital expenditures. He was even more specific when he pointed out that consumer spending, even those types of consumer spending which are based on a vast, inflated consumer credit, did not add materially to the inflationary pressures. So I suggest that the argument that we cannot afford to give more to the old age pensioners because of the danger of inflation has been exploded by the one person in Canada who has the best right to explode it.

There are, of course, many other drains on our economy which may make it difficult for us to provide older citizens with a more generous income. We have the drain of a continuing high level of corporation profits. We have—and this was brought very forcibly to our attention earlier this year—the scandalous situation in which there is no taxation whatever on capital gains of any consequence, as a result of which people are able to acquire fortunes without contributing to the economy from which those fortunes were drawn. We have expenditures on rather dubious measures of defence in this age of the sputnik which consume some 40 per cent of the revenues of this government, and we have not heard any suggestion from this government yet that they propose to consider these expenditures in a realistic manner in the light of the disturbing developments which have become evident in the last few months.

These are the places, Mr. Chairman, to which I suggest, if we really are concerned about our responsibility for senior citizens, we should turn for funds to provide an amelioration of their condition. In my part of the world, history tells us that the original British Columbians had a very brusque and efficient way of dealing with the problems of old age: they used to take their old people out to sea, put them on a rock at low tide to wait until the tide came in and thus solve the economic problem.

Perhaps there was a justification for it in a period in which the life of the tribe depended on every member of it being able to pull his or her weight but that is not the case in Canada today. We have actually and potentially a rich economy which can well afford to pay to the old people of this country something that will at least enable them to subsist on a reasonable basis.

I know the arguments, of course, that the old age pension is not intended to provide

all the income of elderly people, that throughout their lives people should save enough to have at least a partial income at retiring age. Unfortunately for that argument statistics again show that the possibility of doing that is very limited. In fact, one of the ways in which the insurance companies in Canada sell their wares is to publish tables as to the fate of those who reach certain ages in our society and by that means they persuade a certain number of people to invest some of their funds in insurance policies. However, if one examines the report of the superintendent of insurance one finds the rather shocking fact that over $1 billion of life insurance lapsed last year presumably because the policyholders were unable to keep up their payments.

After all, Mr. Chairman, one does not need statistics to know perfectly well that the vast majority of people who reach the age of 70 have no savings on which to live and that whether we like it or not and however much it may outrage the exponents of initiative and thrift the fact remains that our economy is of such a nature that the greater proportion of our citizens are unable to provide for their declining years and you and I who are benefiting from the economy are the ones who should be deciding to make those declining years at least measurably comfortable.

Like the hon. member for Mackenzie River I am going to support this measure but I have a more logical reason for doing so. I think we can well afford it and I believe it is disgraceful that we are not doing more. I am quite sure that by the time the old age pensioners realize just what is the actual size of the $55 they are going to be given in terms of what it will buy in the market today, this government is then going to be faced with exactly the same demands as were made of the previous administration and they will come not only from old age pensioners.

The first time I realized the Liberal government was in serious trouble during the last election campaign was when I spoke at a construction job in my constituency. I had a number of friends working on that job, men with whom I had worked myself, and before I got up to speak one of the men told me, "I advise you to bear down heavily on the subject of old age pensions. The boys are burnt up about it". In the main these were young single men and when I discovered that this was their great bone of contention with the Liberal government I then realized that the Liberal party was in serious trouble. I suggest the Conservative party will find itself in serious difficulty also particularly if it takes no steps—and I am not in a position to say what those steps should be—to curb and control the rapacity of landlords who rent accommodation to old age pensioners.

A day or so ago I received a letter from an old lady in Vancouver who told me that some of these landlords are certainly taking time by the forelock and the moment the word came out from Ottawa that the pension was going to be increased to $55 a month many of their tenants were informed that their rent would be increased as soon as their first cheque came in. These are the realities of this question of the old age pension.

I was glad to hear the minister say the other day that he was not pretending that this increase was anything in the nature of generosity on the part of the government. I have always maintained that no government is really generous whatever it does because it is not spending its own money and you can only be generous with your own funds. At that time he was basing the increase on the principle of justice but I suggest that in an economy such as ours virtually bursting with real and potential wealth, there is no justice in old men and women living in the rabbit warrens of brokendown houses in every large city of Canada existing on the old age pension as it is today or as it will be tomorrow when it reaches $55. There is no justice there and it constitutes a sore in the heart of our society from which we must all suffer.

I hope, therefore, that when or if our new government finally decides to bring down a budget in this house it will be one which in this connection will be based more firmly on the economic realities of Canada than is the present increase to $55 a month which, as I said, in terms of real dollars at the time when old age pensioners got $40 is only some $45.60.

Mr. Hahn: Mr. Chairman, the debate thus far has demonstrated, I would say more than any other thing, that people in Canada have everything to gain from a minority government. At long last they are getting from the government the kind of legislation to which they have looked forward. The only thing that seems to have suffered, in my opinion, is parliament because we have been subjected to long harangues of political reasoning as to what somebody did in 1926, 1930, 1934 or 1944 or whatever the year might be.

It is not my intention to speak at too great length at this time but I would like to deal with a few points the minister mentioned when he introduced the resolution. As reported at page 385 of *Hansard* of October 24 the minister said:

> The proposed changes are:
> (1) an increase in the rate of benefit to $55 a month.

I am immediately caused to wonder just how the government arrived at the figure of $55 a month. The hon. member for Mackenzie River told us that Conservatives in his riding were advertising that the old age pension was going to be set at $76.50. I have no reason to disbelieve him but I would point out that in my own riding the Conservative candidate indicated it would be at least $60 a month. I cannot say how he arrived at that figure either. The hon. member for Mackenzie River also indicated that the C.C.F. party had advocated $75 a month and the fact is they brought in a resolution last year to that effect which I supported. He went on to say, however, that the Social Credit group had indicated in its brochure that it would pay $100 a month.

For the benefit of the committee and of Canadians generally I think we should keep some semblance of reasonableness with regard to this matter and with this in mind I propose to read from a Social Credit pamphlet entitled "It's Your Canada—The New National Policy With Social Credit". It contains a photograph of the Reverend A. B. Patterson and suggests that people might do well to vote for him which they did and we are extremely grateful to them for this. The fact is they did a fine job in supporting this party.

On page 8 of the pamphlet we read this:

> $100-a-month pension.
> Social Credit will make available an old age pension of $100 a month—

Mr. Marler: Just the way they do in Alberta.

Mr. Hahn: A little louder, please.

Mr. Marler: I said, just the way they do in Alberta.

Mr. Patterson: Just hold the phone, boy, and you'll get it.

Mr. Johnston (Bow River): You would do well to pattern yourselves after them.

Mr. Hahn: The former minister of transport is his usual jovial self, I see. He will have an opportunity of taking part in this debate later, I am sure.

Mr. Patterson: Not too jovial.

Mr. Hahn: Well, I have always found him jovial. I continue reading from this pamphlet:

> This can be achieved at once by increasing the basic federal pension to $60, with an additional $40 for those in need.

I think that is somewhat different from suggesting that all old age pensioners will receive $100 a month. The pamphlet concludes by saying that this sum of $40 will be made up of equal contributions from Ottawa and the provinces.

The hon. member for Red Deer indicated earlier that his province of Alberta was paying $15 a month as a supplementary allowance to bring the pension in that province to $70. I am very happy to say that my own province is paying $20 a month in the form of a supplementary allowance, which will increase the pension to $75. I am quite satisfied that the government of my province will pass legislation which will ratify these changes and make any changes that may be necessary to bring the pension of those in need up to $75.

However, I come back to this same question. How did we arrive at those particular figures? Last session when we had our dear Liberal friends in the government seats on this side of the house they told us that all the country's economy could stand was a pension of $46 a month; that the total increase had to be $6. Despite all the increased unemployment that our friends cry about and that we know seems to be apparent we suddenly find ourselves in the position where this government is proposing to pay $55 a month. I am just wondering how these things can be done? I would not like to suggest for one moment, because I do not believe it, that we are not in a position to pay a higher pension than $55.

I notice the Minister of National Health and Welfare himself said at page 385 of *Hansard*:

> We do not say that it is the final or perfect solution, or that there is any magic rightness about this particular amount.

I would agree with him, but I would suggest that possibly after we pass this bill and give the benefit of it to those who are to be the recipients of the money to be provided by it we should set up a committee in this house to discover exactly how far we can go in this and in other fields of social legislation so that we do not go back to the people as political parties and pretend that we can pay a sum which is out of keeping with the prosperity and ability of the nation as a whole. Certainly it is high time that we took the lives of people out of politics and came back to an actuarial basis and tried to have some reasonableness, some commonsense basis for what we are paying.

I think we can do much better than $55 a month, but that is not going to stop me from voting for this resolution and the bill because I consider that $55 is better than $46.

The second point raised in the minister's speech was the reduction in the basic residence requirement from 20 years to 10 years. I would take no exception to that; I would agree that that part of the legislation is probably well advised.

Third, and equally important, is the extension from three months to six months in the length of time which the pensioners are free to spend outside of Canada in any calendar year without losing their pensions. The hon. member for Vancouver East told the committee that he had received considerable correspondence in respect of the possibility of people getting their pensions outside of Canada, not just for three months or six months but for the full year. They consider it is their right and they should have the right to collect what they have paid in, or more than that, because this is after all an insurance fund that they have paid into. Some of us may feel that we shall never collect it; others of us are more hopeful. There are some in the committee who receive it as of right. I take issue with the thought that we should make it available only to those who reside within Canada for a period of six months. In effect, all we are telling these people is that if you are wealthy enough to travel to Arizona or California from New Westminster or Vancouver in British Columbia, or from any other province, for that matter, you can stay there for six months and enjoy the benefits of this increased old age pension, but if you are not wealthy enough you will have to stay right where you are, stay put, because we cannot afford to give you that $55 in a foreign land for a full year.

I maintain, and I think the reasoning is sound, that since these people have contributed, since many of the members in this house, I am sure all, have contributed in one way or another, we would wish—certainly I would wish—that the minister could see fit to change the six months to the period of one year. It may be that when he answers later he can tell us how he arrived at the figure of six months. Our dear old Liberal government, the one which is past and gone and which seems doomed to unhappier days, if I interpret press reports correctly and would-be prognosticators of the fate of parties, thought that three months was the limit. It would appear that the minister might be well advised to tell the committee how he arrived at the figure of six months as compared with the three months that the former government had permitted.

I have only one other point which will take just one moment. The hon. member for Red Deer raised a question as to the figure of $960 being used as the ceiling on allowable earnings plus the pension. I, too, would ask the same question. How did the government arrive at $960? Certainly it would seem not at all unreasonable to me, though perhaps I do not understand these things as well as some hon. members, that the figure should be $1,000. Why is it not $1,000, which is the income tax exemption for a single person? It does seem to me that if we can make it $960 we should be able to make it $1,000.

Mr. Monteith: I should like to answer one or two questions. The last speaker asked some questions about the income, and that sort of thing. I think these questions could be more readily dealt with at the committee stage of the bill, when I shall have my figures available and be able to give them at that time. There have been several members, including the hon. member who has just spoken, as well as the hon. member for Vancouver East who, incidentally—

Mr. Chevrier: Will the hon. gentleman allow me; I take it he wants to deal with some questions that have been asked. I notice it is five o'clock.

Mr. Monteith: Yes, you cut me off very nicely. I did want to answer a couple of questions before five o'clock.

Mr. Chevrier: Honestly, I do not want to interrupt the minister. Perhaps the best thing to do would be to answer those questions when we are on the bills. I understand there are not many and there is a likelihood of their being completed in a short time, or so I am informed; I may be wrong. Then perhaps the minister could go on with his statement, because it is hardly fair to the minister and to the committee to be allowed only a few seconds to deal with the questions.

Mr. Monteith: Five o'clock.

The Acting Chairman (Mr. Rea): Since the standing orders provide for the consideration of private and public bills at five o'clock, shall I rise, report progress and ask leave to sit again later this day, or at the next sitting of this house, whichever will permit?

Progress reported.

CANADIAN WHEAT BOARD ACT

AMENDMENT TO BRING FLAX AND RYE UNDER JURISDICTION OF BOARD

Mr. E. G. McCullough (Moose Mountain) moved the second reading of Bill No. 10, to amend the Canadian Wheat Board Act to provide for jurisdiction in the handling of flax and rye.

He said: Mr. Speaker, it is with a great deal of satisfaction I have the pleasure of placing before this house Bill No. 10 for the consideration of hon. members. Those hon. members who were here last year will recall that I introduced a similar bill at that session. This bill is for the purpose of amending the Canadian Wheat Board Act and the explanatory note reads as follows:

The purpose of this bill is to bring flax and rye within the provisions of the Canadian Wheat Board Act and thus eliminate speculation with respect to these grains.

At the outset, Mr. Speaker, I should like to say that this explanatory note in no way encompasses the full significance of this amendment to the Canadian Wheat Board Act. I have purposely drafted this amendment in such form that it will in no way interfere with the present Canadian Wheat Board Act except to introduce a new part V, the effect of which is to give further effect to part III and IV. This will mean placing flax and rye along with oats, wheat and barley under the jurisdiction of the Canadian wheat board.

Hon. members who are not familiar with the conditions of grain marketing in Canada will perhaps ask why it is that the western farmers are demanding the inclusion of more of their grains under the Canadian wheat board. At the outset I may say the reason is, first, that farmers generally in the prairie provinces are very happy with their experience in marketing grain through the Canadian wheat board. This amendment to the Canadian Wheat Board Act will, of course, in no way be a precedent and in no way a major deviation from the work of the Canadian wheat board in the past. As a matter of fact, during the period 1943-44 to 1946-47, the Canadian wheat board did in fact have flax under its jurisdiction. I might say that I am happy to have the honour and privilege of bringing this bill before the house because it does, in effect, bring before the members a move in the direction of orderly marketing which has been long sought by farm organizations.

I should like to give credit to the Canadian Federation of Agriculture and its president, Mr. Herb Hannam, for the support given the principle which is now before us. In the presentation of the Canadian Federation of Agriculture to the cabinet in February, 1956, there is this:

As has been done in past years, the Canadian Federation of Agriculture would also request that flax and rye be marketed through the Canadian wheat board, so that these grains may benefit from the orderly marketing policies, and increase price stability that board marketing provides.

This amendment, therefore, to the Canadian Wheat Board Act is favoured by the Canadian Federation of Agriculture. I should like to give credit also to the Interprovincial Farm Union for favouring the principle that flax and rye should be included in the jurisdiction of the Canadian wheat board. I may say that this C.C.F. group is happy and proud now to have with us the hon. member for Springfield (Mr. Schulz), who was formerly the president of the Interprovincial Farm Union. This organization has gone on record year after year in favour of the inclusion of these two grains in the marketing policies of the Canadian wheat board.

There is a very good reason why farmers generally favour the larger pooling of their grain for marketing purposes. The farmers have had a long struggle in trying to get some price stability and some orderly type of marketing. They have been subjected to vicious fluctuations in price over the years. Questions may be asked as to why farmers are in favour of this proposal. If hon. members will give some attention to the problems of the farmer, they will readily see that it is necessary to market grain through the specialized agencies in order to gain stability and control prices. Farmers generally do not want a feast or a famine. They have to cope with all the elements of weather, such as drought and hail. However, there is something that can be done for the farmer, aside from stabilized prices.

The farmers' problem in regard to these two great commodities is complicated on the open market. A year ago the federal government put flax under the jurisdiction of the Canadian wheat board. Speaking directly to this government I can say that probably so far as western Canada is concerned the result of the June 10 election and the defeat of many members of the Liberal party in western Canada was probably due to the fact that the government failed to have any close liaison with the thinking of farm organizations generally. I recall that when it was announced a year ago by the former minister of trade and commerce—for whom I have a great deal of respect but who I think had far too much work to handle to cope with it properly—that flax would be put under the jurisdiction of the board, I asked him if this was a deviation from former policy. He said no, that had been the practice just the crop year prior to that.

Of course, the following day he had to get up and announce that he had been wrong.

From that time onward, when flax was put under a quota and it was made impossible for farmers to decide on their own initiative when they should market their grain, the

farmers have been in the position that they are not able to market that grain except under a quota established by the Canadian wheat board. Of course, one other reason for the amendment being introduced at this time is the fact that over the past few years in western Canada congestion has made it impossible for the farmers to deliver flax and rye to the elevators at the time of their choice.

As I said earlier, the farmers want stability of prices and I should like to indicate to the house some of the price trends that have taken place. I have here a graph prepared by the Coarse Grains Quarterly, Sanford Evans grain trade year book, which indicates the average monthly prices of flax and rye for the crop year 1955-56. I should like to draw the attention of the house to the fact that while earlier the price of flax had been $3.40 a bushel it dropped to less than $3 by August; that it climbed to a high of about $4.15 in February and again dropped back in June to $3.40. Similar price fluctuations occurred in the case of rye. I would be very pleased, Mr. Speaker, if I could have the unanimous consent of the house to place this graph on the record because it does show in a much more graphic way than I can explain to the house the price trends for the crop year 1955-56.

Mr. Speaker: What is the document that the hon. member wishes to place on the record?

Mr. McCullough: This is a Sanford Evans grain trade graph and the source is the Coarse Grains Quarterly.

Mr. Speaker: Has the hon. member the leave of the house to place this graph on the record?

Some hon. Members: Agreed.

Mr. McCullough: The graph follows:

(The appendix will be inserted in Monday's *Hansard*. See page 497.)

Various arguments were put forward by the former government as to why it did not see fit to include flax and rye under the jurisdiction of the Canadian wheat board. I see the former minister of agriculture is in the house. Perhaps he will recall some of the arguments we had in this chamber when he was the minister and we in this group and other members were trying to get the inclusion of oats and barley under the jurisdiction of the wheat board. In the period from 1945 to 1948 different spokesmen for the government put forth various arguments why they would not and could not see fit to do so.

Finally, in 1949 or 1950 the house did pass enabling legislation and when similar legislation was passed by the provinces the Canadian wheat board was able to deal with these grains. I think the chief argument against the proposal during the period when we were struggling to get these two grains included was that oats and barley went into interprovincial trade and therefore were not commodities which could be included under federal control.

Further to my argument, Mr. Speaker, I should like to point out that the two commodities which I now urge the house to include under the jurisdiction of the wheat board are important for other reasons. The first is that on a relative basis exports of flax and rye have indeed been greater than exports of oats and barley in some years. I have here a table taken again from the Sanford Evans grain trade year book which gives the exports for the crop years from 1949-50 to 1955-56 inclusive.

I find that in the crop year 1949-50 exports of rye were 131 per cent of production and exports of flax for the same period were 148 per cent of production. In other words, there was a draw on existing stocks within the country. For the year 1955-56 the export percentage of rye was 97 per cent and the export percentage of flax was 55 per cent. If we compare oats and barley for the same crop periods we find that in 1949-50 the export percentage of barley was 14 per cent and that of oats only 6 per cent. Taking the crop year 1955-56 we find that the export percentage of barley was 26 per cent and that of oats 1 per cent. This does indicate that on a relative basis exports of flax and rye hold a very high importance.

To deal with income from these two farm products, I have here a table which should be of great interest to those wishing to ascertain the importance of this matter to our prairie farmers. This table is prepared by the dominion bureau of statistics and shows the cash income from coarse grains for the years 1949 to 1955 inclusive. In 1955 prairie farm income from the sale of rye was $6,325,000 while in 1952 it was $23,380,000. In the year 1955 the income from flax was $40,021,000 and in 1952 it was $29,912,000.

These figures show the comparative importance with oats and barley. It is a very short table but again, if I may, I should like to have the unanimous consent of the house to place it on *Hansard*. It shows, as I said, the income from the four grains I have mentioned for the years 1949 to 1955 inclusive. May I have the permission of the house?

Mr. Speaker: Has the hon. member leave?

Mr. Fulton: Mr. Speaker, I rise not for the purpose of opposing the request but because I believe it is customary in such cases for the hon. member wishing to place a table of figures on the record to state the sources from which the information is drawn.

Mr. McCullough: The source is the dominion bureau of statistics.

Mr. Speaker: Has the hon. member leave?

Agreed.

Mr. McCullough: The table follows:

TABLE I

Prairie Farm Income—Coarse Grains
1949-1955
(000 of Dollars)

Year	Rye	Flax	Oats	Barley
1955	6,325	40,021	29,048	83,237
1954	11,532	19,669	50,768	93,975
1953	13,331	18,573	66,828	144,359
1952	23,380	29,912	85,199	151,837
1951	12,505	17,270	63,906	90,062
1950	10,724	9,081	50,346	71,098
1949	13,907	14,648	54,888	61,048

Source: D.B.S. Farm Cash Income—1955.

Marketing of flax in 1955-56, Mr. Speaker, totalled 15½ million bushels and it is significant that approximately 77 per cent of that amount was delivered between August and November, a four-month period. The price range during that four-month period was $3.02 to $3.25 a bushel. I should like to compare that with the price in March. All hon. members who are acquainted with conditions in western Canada will know that we often have very severe weather in that month and that it is impossible for the farmers to haul out their grain. With the price for flax at $4.16 a bushel which was the high during that period, only 400,000 bushels were delivered at that price.

I believe there perhaps should be more main reasons given in summarizing why the former government did not see fit to include flax and rye in the jurisdiction of the Canadian wheat board. I believe further that over the years the argument has been put forth in this house that it would overwork the officers of the Canadian wheat board and I have already indicated that the Canadian wheat board did in fact handle flax during the period 1942-1943 to 1946-1947. After that of course it was handled for a year by the Canadian wartime prices and trade board. Another reason why I think the former government did not see fit to bring these two products under the Canadian wheat board was that they wanted to leave the door open for speculation on these grains. In other words they wanted to leave the operation of the Winnipeg grain exchange in such a way that the type of speculating to which I have referred could continue.

I do not want to dwell for a long time on this argument but I would like to say that the western farmers over the years have fought to stop speculation in their products and I hope every hon. member in this house will see fit to support me and those in this group in this move to bring under the control of orderly marketing, at long last, these other two farm commodities. I say this because I feel in doing so it will have the effect of stopping the speculation in the farmers' crops on the Winnipeg grain exchange and, in essence, will stop the gambling on farm products.

I think the former minister of trade and commerce has argued that these two crops, flax and rye, are after all small crops and therefore are insignificant and do not require the attention of the government in order to put them under an orderly marketing system. Well, I think my arguments this afternoon would indicate that such is not the case. Flax in particular has become a very important crop in western Canada and when you consider that the acreage of flax in that part of the country has risen from 1,030,000 acres in 1941 to 3,970,000 acres in 1956 you will very readily see the importance of this crop in western Canada.

I should like in my argument to put forward one other point in regard to price fluctuation. In 1948, as an example, when flax was under the control of the Canadian wheat board and a fixed amount was paid to the farmer as an additional participation payment, the farmers of western Canada received $5.50 a bushel for their flax in that crop year. Rye, which was left on the open market, for that crop year averaged $3.74½ a bushel. However, by 1951 flax had remained at a relatively fair price contrasted with rye, which started to decline most disastrously and by 1954 was selling for 99 cents a bushel. Then last year, 1956, the average price of flax fell to $3.60 a bushel. Now I think it is only fair to the western farmer, who has gone along with the former government and to the two farm organizations which are attempting to get the ear of this new government, that we see some action in this important matter. While the former government seemed indifferent, not only to matters of this kind but to the cost-price squeeze facing farmers and so on, this new government we hope will see fit to meet the demands of organized agriculture. We hope they will also meet other demands coming from the representatives of the prairie farming area.

I may say that I wrote to every municipality in the province of Saskatchewan and the replies I received to the question whether or not they were in favour of the inclusion of flax and rye under the jurisdiction of the Canadian wheat board were practically unanimous. In summing up my arguments I might say this: the farmer wants, first, orderly marketing of these two grains along with his other commodities; secondly, he wants stability of price which can be achieved through orderly marketing by the Canadian wheat board; thirdly, that these grains should be recognized as forming an important part of the export trade; and lastly of course—and this is extremely important—the farmers do not want speculation in their products. What they produce of course is after all the food of the world. I hope with that due consideration will be given to this proposal for a change in the Canadian Wheat Board Act and that I shall receive widespread support in the house in this respect.

Mr. J. A. Smith (Battle River-Camrose): I wish to commend the hon. member for Moose Mountain (Mr. McCullough) for again introducing this bill before the house, namely the bill to amend the Canadian Wheat Board Act to make it possible for flax and rye to be marketed through that board.

We in this group for many years have argued that the marketing of flax and rye should be placed under the control of the Canadian wheat board. We have for years recognized the fine work which has been done by that board, working in the interests of those farmers of western Canada who produce wheat, oats, and barley. It is our feeling that farmers producing the other two major grains of the west, namely flax and rye, should be given the same consideration as those producing wheat, oats and barley. We have, as I pointed out, supported the Canadian wheat board down through the years, even though at times we have criticized the marketing policies which the Canadian wheat board has been forced to follow as a consequence, I might say, of the trade policies laid down by the former administration.

We sincerely hope the new administration will see fit to embark upon an entirely new trade policy as far as the marketing of our grains is concerned. The wheat board did away with the vicious fluctuation of prices which occurred for many years in connection with the marketing of our wheat, oats and barley. I can remember as a young lad, coming home from school, immediately getting onto a grain tank and hauling a load of grain to the town so that my dad would be able to receive the high prices for his wheat which were prevalent in the month of September. We knew full well that unless he got that wheat on the market in September he would be forced to take a lower price in October or November. The Canadian wheat board ended that situation. Prices, as I have pointed out, have been stabilized as far as those three grains are concerned.

The hon. member for Moose Mountain has pointed out the terrific fluctuation of prices which occurred in the prices of flax and rye during the crop year 1955-56. He pointed out that the price of flax rose from a low of $2.97 to high of $4.16. The price received for rye varied from 87 cents to $1.30.

Mr. Speaker, I submit to you that it was not by accident that this low price for rye was reached in a period when it was impossible for the farmers of western Canada to deliver their grain. At the present time they often find it impossible to deliver their grain to the particular elevator they deal with, impossible because the elevator man is unable to accept flax and rye at that time. Farmers are not permitted daily freedom of decision in taking advantage of favourable market conditions.

Again, it has been suggested that farmers should stop growing wheat and grow other grain. If this suggestion is to be pursued it would mean that more and more farmers in western Canada would be turning their land over to flax and rye, and the need for a stabilized market would be further accentuated. As the hon. member for Moose Mountain has pointed out, farmers' organizations from western Canada have urged for years that the marketing of these two grain products, flax and rye, should be placed under the jurisdiction of the Canadian wheat board.

Representations were made to the previous administration on many occasions but seemed to fall on deaf ears. I know that representations were made to the new government on August 15 of this year, and I sincerely trust that our new government will see fit to support this particular bill which was so ably introduced by the hon. member for Moose Mountain.

Mr. G. R. Muir (Lisgar): Mr. Speaker, I know it is not usual for an hon. member who has made his maiden speech the day before to feel he should get up and make another speech the following day. However, as a farmer from the west, this problem vitally interests me as a person, and is certainly of great consequence to the people I represent.

Though I am only a new member of this house, I understand that this is a matter which has been debated in the course of a number of years during previous parliaments

and that it has, in a way, become more or less a perennial affair. This particular bill has been sponsored by the hon. member for Moose Mountain (Mr. McCullough) on several previous occasions. At the time he last introduced it we had, of course, a different government and a different minister of trade and commerce. The position taken by the minister of trade and commerce and his colleagues at that time was that they would not have anything to do with putting rye and flax under the jurisdiction of the board, and since this attitude was not further discussed by other hon. members of his party I presume it could be taken as expressing the official position of the government of that day.

Now Mr. Speaker, in discussing this question with officials of the wheat board as I have done on several occasions, I found that during the period of congestion in the elevator system they have been reluctant to take on responsibility for handling any further grain, and it has apparently been their attitude that as long as this surplus position continues it would be wiser to leave the matter as it is today.

The Conservatives took the position three years ago at a conference in Saskatchewan of western members—this was an informal conference not involving party policy—that it would be better to leave flax on the open market as a barometer which would tell farmers whether the wheat board was doing a good job or not.

The farm organizations, though generally favourable to flax and rye being handled by the board were not completely in agreement. On the surface they were in agreement, but some of their officials were not completely in accord for the reason that in their opinion no further burden should be placed on the wheat board at this time of serious congestion. Such an attitude would be especially understandable now that the board is being asked to handle the cash advance. The farmers themselves are divided as to the feasibility of placing responsibility for flax and rye on the wheat board—but I believe the majority favour it.

My own opinion—and I am here to express my own opinion—and I think it is also the opinion of the people whom I represent, is that desirable as it may be to have these two grains under the control of the board it would be asking too much to instruct the board to undertake such a responsibility, having regard to the prodigious amount of detail which would be involved in this present crop year, especially, as I have previously pointed out, at a time when officials of the board would be reluctant under present circumstances to take on further obligations.

I do not bring up these points with any purpose of placing anything in the way of this bill. If it can be shown to this house that it is practical this year, in the circumstances I have indicated, then I think we should give the matter further consideration. But these are some of the questions to which hon. members in this house have not had answers up to the present time. We have listened to a large number of statistics, read by the hon. member for Moose Mountain in very great detail. I am sure that to the majority of hon. members they did not convey too much meaning, taking them as he was giving them orally.

It could be that one way to resolve this issue would be for the committee on agriculture to hold hearings on it. Everyone concerned could then make a submission and, in consequence, the committee would perhaps be in a position to assess intelligently the issues involved and come back to the house with the proper answers. In other words, Mr. Speaker, what I have said is, briefly, this: desirable as it may be to have these grains under the control of the board when the board is functioning in normal conditions, I do not think we should ask these people to take on this extra burden now, especially as during the next few days, when the bill providing for cash advances is passed, they will be asked to handle a tremendous amount of detailed work in connection with that proposal since a very large percentage of the flax has been sold this year. I think we should give the board an opportunity to get this load of other grains off its back before we pile another on top of it. However, if that answer does not appeal to all hon. members—and I am sure it is reasonable—then I suggest that a committee of this house investigate every possibility before we make any rash moves.

I would conclude by expressing the hope that the committee will be in agreement with me that we can resolve this question, but should not do so in haste and as a result do something to injure the operations of the wheat board which I am sure the majority of the hon. members of this house would not wish to do.

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, due to the fact that the hon. member for Moose Mountain (Mr. McCullough) has so adequately and comprehensively laid this matter before the house it will not be necessary for me to go into any great detail. I am sure it is a matter of satisfaction to him and to those he represents that he has already been commended by hon. members on the other side of the house for having brought

this bill before it and given hon. members an opportunity to express in principle their opinion upon it.

Naturally we are most interested to hear the attitude of the government on this question and I assume that the hon. member for Lisgar (Mr. Muir) who was the first spokesman in his party to speak about it did so on behalf of his government. If that is so there is good room for hope that this bill is going to carry this day because the hon. member recommended—on behalf of the government no doubt—that the bill go to a committee.

Of course the only way this bill can go before a committee is to be adopted on second reading and then it can go to the committee for close study and be further considered as to detail and I believe that procedure is the one we should adopt. That would also meet the reservation expressed by the hon. member who preceded me in relation to the attitude of the wheat board itself because if this bill is now adopted in principle and sent to a committee the members of the wheat board or any other officials who are interested, including representatives of the farm organizations, could appear before that committee and state their opinions and offer suggestions as to the details of the bill.

I hope the vote on this bill will be favourable. I am sure that at least one member of the Progressive Conservative party must be thoroughly in support of this legislation. I refer to one of my colleagues from Manitoba, the hon. member for Provencher (Mr. Jorgenson). I say this because I have followed his career in the Manitoba farmers' union and know that he is one of the former officials of this organization who as a district director was responsible with other district directors in framing the resolutions which were contained in briefs presented to the former government and which in the near future will perhaps be presented to this government by the Manitoba farmers' union demanding that this type of legislation be placed before parliament.

In these circumstances I hope we will have the united support, as has already been indicated, of the Social Credit group and for which we are duly grateful and we will also expect the full support of the members supporting the government.

Mr. Gordon Chown (Winnipeg South): Mr. Speaker, I have the honour to represent a constituency which is largely urban. The constituency of Winnipeg South is situated rather close to the Winnipeg grain exchange and the wheat pool as my hon. friends in the far corner of the house realize. Notwithstanding the fact that it is largely urban and residential there is on the outer fringes

[Mr. Zaplitny.]

the market gardener and farmer who have a small acreage. In certain instances these farmers may be producing flax and rye. Perhaps it is because of their close proximity to the wheat board and the grain exchange that I feel they could be delighted that they have one residual area of free enterprise in which they can operate.

In addition to that there is a sugar beet manufacturing industry in the Fort Garry portion of my constituency and in the area to the south of this municipality, a large number of farmers have prospered through this free enterprise.

It occurred to me—and it seems a reasonable and justifiable suggestion—that this sort of bill should be given full consideration by the committee on agriculture as was suggested by the hon. member for Lisgar (Mr. Muir), particularly in view of the declared diversification of opinion I have brought to the attention of the house. In its sittings the committee could bring before it representatives of the farmers' unions which hon. members in the far corner of the house seem to represent more than they do the general populace of their constituencies.

Before coming to Ottawa I had the opportunity of sitting around the table with members of the Manitoba farm union and their primary concern was the cash position of the farmers which this government has already taken steps to improve. Throughout the course of the entire evening there was no suggestion on the part of those representatives that this sort of bill should be given consideration at an early date or at the initial sittings of this house.

I am reminded of a letter I received from one farmer which consisted of about 14 words in which he said, "While we were under the grain exchange for marketing purposes things were good and they ain't been since". I do not suggest for a moment to this house that I ally myself with the idea of recovering the operations of the Winnipeg grain exchange as they existed in years gone by but as yet I do not shut the door completely on the possibility of the grain exchange and the wheat board operating co-operatively side by side as a dual outlet for our grain.

This is something that I say with great sincerity because I do feel that under the free and open marketing of all grains there is a great possibility, indeed almost a probability, that we would not have the fantastic grain surplus that we have on our hands at the present time; but I wish to make it clear, and amply clear, that I would not subscribe to the operation of the Winnipeg grain exchange exclusively as far as grains are concerned.

The reasons already presented to this house are that the present wheat board is operating to full capacity in dealing with the tremendous surplus we have; that we are dealing indeed with legislation for cash advances, which we expect will shortly be passed in this house, and those reasons almost, I would suggest to the house, preclude the addition of the operation and control of these two crops of flax and rye. For that reason I think this bill is premature. It has not been considered by the government and cabinet; it has not been considered by the western members of the government in caucus; it has not been considered by the caucus of the government as a whole. The general feeling for the time being at least should be that these crops can be left on the free and open market as cash crops that are bringing reasonable returns to the farmer. Indeed, perhaps they are the only crops that are bringing such farmers any cash at all.

I know my hon. friends in the corner across the way would like to see everything brought under the control of government agencies and boards of one kind or another; but we who have seen the inspired and tremendously productive operation of free enterprise in the world of business recognize that the temporary crisis which have developed in the field of agriculture do require the intercession of government for the time being to endeavour as much as possible to put the farmer in a position where he has cash on hand to keep in line with his current expenses.

May I point out, Mr. Speaker that—I do not speak for the government any more than the hon. member for Lisgar does. We are speaking only for the reason that we have not considered this thing at all in cabinet or in caucus; we speak as individual members giving private opinions on such subjects. We favour government intercession only to the point where it rectifies a crisis such as exists at the present time among our farmers owing to the lack of cash. The government has taken steps along appropriate lines, favoured by all sides in this house, to correct that situation. I think that legislation will be introduced shortly and voted upon. If we take this one additional step at the present time to bring under the control of the wheat board flax and rye I do not think it will be long before the hon. gentleman in the far corner will be suggesting that turkeys, butter, eggs, sugar beets and sunflowers should all be brought under a similar type of board and controlled by the government.

Mr. Argue: I have been advocating that for years.

Mr. Chown: The point my hon. friend forgets—and he knows why his numbers are not larger than they are—is that they have been advocating this sort of thing for years and there are still Canadian citizens who do not want the government to run their lives from morning until night.

Mr. Argue: I wonder whether the hon. member for Winnipeg South will permit a question. Can the hon. member say whether or not he has noticed that the farm organizations, including the wheat pools and the farmers' union, have asked that a measure like this be adopted?

Mr. Chown: I would be very happy to answer the hon. member. I have not personally, as I told him, been consulted about this and I have been consulted by a great number of other organizations on similar problems and by quite a few farm organizations on other problems. If the hon. member suggests, and probably he is right, that this is a very pressing problem that has been urgently submitted to members of his group, I can assure him that it has not been brought with anything like the same vigour to the attention of the private members who are not in the agricultural business and, as the hon. member knows, require to be educated on the needs of farmers.

We are never too ashamed to admit that we do not have the specialty that those of you who are farmers have. Those of you who are farmers know a lot about farming. I happen to be a lawyer and I think probably I know a lot more about law than the average farmer does. But I think I can say with humility, as one private member of the house, I want to hear from those organizations through their representatives on the agricultural committee; I want to know how desperate the need is and I want to have substantial proof that these two crops have not been returning the farmer more cash than anything else that he is dealing with on his farm. If I can be convinced, in the normal course of events, just as any other member of the government, that this is a very desperate need, then I assure my hon. friends across the way that the government will give the proper consideration to it and announce a policy in this house in due course.

I emphasize again that I oppose the creeping into every facet of our democratic life in Canada the agencies of government that will swell the civil service and add more fixed costs to the taxpayers of this country. This is something that my hon. friends over

there have advocated without success for years. I assure them that as long as I am in this house anything that smacks of that sort of thing will be responded to with a great deal of sincerity and honest opinion from my side of the house by more members than myself.

Mr. Chevrier: Six o'clock.

Mr. Chown: I feel that this piece of legislation has not had the consideration that it should have, particularly on this side of the house.

Mr. Chevrier: Six o'clock.

Mr. Chown: Therefore, I urge that we be permitted to give it further and more lengthy consideration.

May I ask that it be called six o'clock, Mr. Speaker?

On motion of Mr. Chown the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask the hon. gentleman what the order of business is for Monday?

Mr. Green: Mr. Speaker, on Monday we shall commence with the second reading of the bill to provide for advance payment for prairie grain prior to the delivery thereof. When that bill is through second reading and the committee we shall return to the consideration of the resolution which was under debate earlier today, followed by the other three resolutions standing in the name of the Minister of National Health and Welfare and then the two resolutions in the name of the Minister of Veterans Affairs.

Mr. Speaker: It being six o'clock and in view of the business announced, this house stands adjourned until Monday afternoon at 2.30 p.m. eastern standard time.

At six o'clock the house adjourned, without question put, pursuant to standing order.

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:

DENTAL TREATMENT, WORLD WAR II VETERANS

Question No. 38—**Mr. Zaplitny:**

1. Did any of the service personnel who served in the armed forces during world war II, and who were discharged from the services since the war ended, receive dental treatment?
2. If so, how many received treatment and what has been the total cost to date?

Answer by: **Hon. A. J. Brooks (Minister of Veterans Affairs):**

1. Yes.
2. Figures show number of courses of dental treatment given to former members of the armed forces after discharge from service during world war II, and include a small percentage where an individual had more than one course:

Question

	Courses	Cost
Up to March 31, 1952	596,673	$23,434,813
From April 1, 1952 to March 31, 1957	35,000 (est.)	1,250,000

Note 1. Commencing with fiscal year 1952-53, statistical records of dental treatment do not segregate world war II veterans, and the answer is estimated.

Note 2. Statistical records of dental treatment do not show date of discharge, and the answer includes all cases of world war II veterans.

HOUSE OF COMMONS

Monday, October 28, 1957

The house met at 2.30 p.m.

PRIVILEGE

MR. ST. LAURENT (QUEBEC EAST)—REFERENCE TO ASSURANCE REPORTED GIVEN TO GOVERNOR GENERAL

Right Hon. L. S. Laurent (Leader of the Opposition): Mr. Speaker, I should like to raise a question of privilege which I believe affects every member of this house as well as the relationship between the government and the crown under our constitutional system. The question arises because of the appearance in this morning's Montreal *Gazette* of a letter from Mr. Leslie Roberts, the opening passage of which reads as follows:

Sir,—The Right Hon. James Gardiner's statement in the House of Commons, to the effect that the opposition has refrained from bringing down a motion of "no confidence" in the Diefenbaker government, because the Governor General exacted a promise from the outgoing prime minister that a new administration must be given an opportunity to place its program before parliament, again raises the question of impropriety on the part of the representative of the crown. It was equally improper on the part of Mr. St. Laurent, as the leader of a government, to accept such a "deal".

As all hon. members will realize, Mr. Speaker, this is not a correct statement of what the right hon. member for Melville (Mr. Gardiner) actually said in the house. The relevant statement will be found at the top of page 264 of *Hansard* of October 22, and reads as follows:

When the government of the day found it necessary to give assurance to the Governor General those assurances, of course, were given to the effect that we would carry on in such manner as to make it possible for the new government to have sufficient support in the house to be able to place their policies before the people of this country and carry on from there.

I should like to make it clear that no assurance whatever was asked of me by His Excellency and that no assurance was given to His Excellency by me apart, of course, from the assurance given in the public statement I made at the time I tendered the resignation of the government.

In order to avoid future misunderstanding perhaps I might be permitted to put the text of the statement on the record. It is as follows:

Although no party will have a clear majority in the new parliament the Progressive Conservative party appears to have the largest number of elected members. In the circumstances I have reached the conclusion that the proper course for me to take was to submit the resignation of the Liberal administration to His Excellency the Governor General, which I have done today. Before doing so I advised the leader of the Progressive Conservative party of my intention, adding that of course we would carry on if he was not prepared to accept the responsibility of forming a government, but that if he does, my colleagues and I will extend full co-operation to him and his party in their arrangements for taking office so that the Queen's government can go on without interruption. I have also told Mr. Diefenbaker that I feel the Liberal members of parliament will not attempt by obstruction to prevent the new government from carrying through parliament the program it has placed before the people, though we shall, of course, exercise our right to express our views freely on the measures introduced in parliament. We feel that the growth and prosperity of the country should not be endangered by instability of government which would come from irresponsible obstruction.

What assurance I gave was, as the statement shows, given directly to the present Prime Minister and announced to the public, and I am sure that is what the right hon. member for Melville had in mind.

I referred to the same matter in my own speech on October 16 when I said, as will be found on page 46 of *Hansard*:

Having the reasonable assurance that the fulfilment of its promises will not be obstructed at the present session of parliament, at least by the official opposition, the government will have no excuse for any failure to carry out that program.

What I want to make abundantly clear is that there never was any question of any bargain being made between the Governor General and the outgoing administration. It is true, of course, that His Excellency was aware, as were the public, of the attitude which the members of the outgoing administration proposed to take, but there was nothing more than that.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I am sure we welcome the explanation of the Leader of the Opposition (Mr. St. Laurent), but it is not sufficient.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I hope I never arrive at the point where I begin to separate myself from the average member in this house and adopt the attitude of being something that I am not. I just want to say that the explanation is not sufficient to meet the situation. The Leader of the Opposition mentioned one

quotation, but I would point out also that on page 264, in the first paragraph of the second column, it says:

> Before there was any thought of choosing a new Liberal leader in this country the Prime Minister of the day made the announcement, when he tendered his resignation, that he had given those assurances to the Governor General.

There should not have been any mention of the Governor General in this house; that is the first principle of parliamentary government. I refrained from saying anything at the time because—well, I was shocked by the statement that was made. There could be no misunderstanding; it was made so clearly and so definitely that the explanation of the Leader of the Opposition does not meet the situation.

However, I am pleased to have his assurances in this regard which are entirely accepted, because there was no representation made to me of any such thing either by him or anyone else. I formed the government, and we asked for no such assurances. But to use the Governor General's name as an explanation for a course of action difficult to explain will also be equally inexplicable.

CRIMINAL CODE

AMENDMENT TO BRING FRENCH AND ENGLISH TEXTS INTO CONFORMITY

Hon. E. D. Fulton (Minister of Justice) moved for leave to introduce Bill No. 15, to amend the Criminal Code.

Some hon. Members: Explain.

Mr. Fulton: Mr. Speaker, the purpose of this bill is to provide a minor amendment in the text of the French version of the Criminal Code to bring the definition sections of the English and French versions into conformity.

Motion agreed to and bill read the first time.

MOTIONS FOR PAPERS

P.F.A.A. APPOINTMENTS, MACKENZIE CONSTITUENCY

Motion No. 3—**Mr. Nicholson:**

For a copy of all letters and telegrams exchanged to date, during the year 1957, between persons residing in the Mackenzie federal constituency and the Minister of Agriculture regarding the appointment of persons under the Prairie Farm Assistance Act.

Motion agreed to.

POST OFFICE DEPARTMENT—TRANSPORTATION ORDER 107

Motion No. 6—**Mr. McIlraith:**

For a copy of transportation order No. 107 of the district director of postal services, dated August 7, 1957, and sent by the Post Office Department to mail contractors throughout Canada.

[Mr. Diefenbaker.]

He said: Mr. Speaker, I understand the minister would like this notice of motion to stand.

Mr. Speaker: Stand.

Motion stands.

UNEMPLOYMENT ASSISTANCE ACT—PARTICIPATION BY ONTARIO

Motion No. 8—**Mr. Martin (Essex East):**

For a copy of all correspondence, telegrams and other documents exchanged between the federal government and the province of Ontario since June 10, 1957, with respect to participation by that province under the Unemployment Assistance Act of 1956.

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, may I ask that this motion stand?

Mr. Speaker: Stand.

Motion stands.

CAMPBELLTON, N.B.-CROSS POINT, QUE., BRIDGE

Motion No. 9—**Mr. Robichaud:**

For a copy of all correspondence, telegrams and other documents exchanged between the federal government and the government of the province of New Brunswick, since January 1, 1956, to date, in connection with the proposed construction of a bridge across the Restigouche river, from Campbellton, New Brunswick, to Cross Point, Quebec.

He said: Mr. Speaker, may I have leave of the house, with permission of the minister concerned, to have the date changed to "since January 1, 1953, to date" instead of "since January 1, 1956"?

Mr. Speaker: Has the hon. member permission to change the date as stated?

Some hon. Members: Agreed.

Hon. Howard C. Green (Minister of Public Works): This is agreeable to the government, subject to the usual reservation that we obtain clearance from the provincial government.

ONTARIO-QUEBEC BOUNDARY, LAKE ST. FRANCIS

Motion No. 10—**Mr. Chevrier:**

For a copy of all correspondence, telegrams or other documents exchanged between the federal government and the provinces of Ontario and Quebec, with reference to the boundary line between Ontario and Quebec on lake St. Francis.

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, if I am able to secure the approval of the governments of Quebec and Ontario I will table the correspondence at the earliest opportunity.

Mr. Speaker: Subject to that explanation is it the pleasure of the house to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

TRANSPORT

ST. LAWRENCE RIVER-NEW YORK—REQUEST FOR DEEPENING OF WATERWAY

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, in view of the interest shown over the week end by several groups in an old but important project may I ask the following question. Will the minister give consideration to the appointment of a board of engineers to consider the possibility of deepening the route from the St. Lawrence to New York via the Richelieu and lake Champlain, or in the alternative will the government refer the matter to the international joint commission for study and consideration?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, this matter has been given consideration by the previous government for a number of years past, and I am glad to assure the hon. member for Laurier that the present government will continue to give the matter consideration.

Hon. George C. Marler (St. Antoine-Westmount): A supplementary question, Mr. Speaker. Was the government represented at this meeting? If so, by whom? Was any statement of policy made by the representative of the government?

Mr. Hees: Mr. Speaker, I would be glad to check on that matter and give an answer tomorrow.

LIVESTOCK—SHORTAGE OF BOX CARS IN WESTERN CANADA

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, on Friday last the hon. member for Macleod, as also have the hon. member for Moose Mountain and the hon. member for Medicine Hat, asked me a question regarding the shortage of cattle box cars in the Lethbridge and Calgary districts. As indicated to the hon. member for Macleod on Friday, I have spoken to the Canadian Pacific Railway Company about the matter and they advise me that the heavy movement of stock to the United States commenced in September but with the recent severe weather and increased loadings a shortage has developed. To meet this condition the Canadian Pacific has been urging United States lines to arrange for the prompt return of equipment and the company is also moving empty stock cars from eastern Canada to this area.

I might add that the C.P.R. tell me there is a reasonably good supply of cars available for this week and they assure me every effort will continue to be made to meet requirements.

PACIFIC GREAT EASTERN RAILWAY—CONSTRUCTION GRANTS

On the orders of the day:

Mr. B. R. Leboe (Cariboo): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the failure of the Peace river bridge and the fact that the Pacific Great Eastern Railway bridge is to carry motor traffic, and in view of the increased importance of that railroad, can the Prime Minister give some indication to the house whether the government is giving consideration to providing construction grants for all the new construction from Vancouver to Squamish and from Prince George north to the end of construction?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, the Prime Minister has asked me to answer the hon. gentleman's question. Under the agreement by which the northwest highway system was handed over to Canada at the conclusion of the second world war, this country undertook to maintain that highway for military purposes. The commitment does not extend to the P.G.E., nor are the military requirements such as would justify this government making available grants for all the new construction on that railway from Vancouver to Squamish or from Prince George north to the end of construction.

Mr. Leboe: I have a supplementary question. In my question I indicated the added importance of the railroad. I meant that this importance was owing to the fact that we have such terrific development taking place in that area.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to ask a supplementary question. Is not the Alaska highway still a military highway, and therefore are we not responsible for the building of the bridge? Is it not still a military highway?

Mr. Pearkes: The military requirement of the Alaska highway is not as great as it has been, but it is still being maintained for military traffic.

TRADE

CHRISTMAS TREES—INQUIRY AS TO ESTABLISHING GRADES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, in the absence of the Minister of Trade and Commerce I wish to direct a question to his parliamentary assistant. In

asking the question I do not want the house to assume that I think the minister is Santa Claus.

Is consideration being given to establishing standard grades for Christmas trees offered for sale in Canada and, if so, when is an announcement respecting specifications, etc. to be expected?

Mr. Thomas M. Bell (Parliamentary Assistant to the Minister of Trade and Commerce): Mr. Speaker, I wish to thank the hon. member for giving notice of his intention to ask this question. In reply I would say that two-thirds of Canadian Christmas tree production is marketed in the United States, and a voluntary grading system is being brought into force in that market on a national basis on November 1, 1957. Establishment of this system has been announced in the department's fortnightly publication *Foreign Trade* and details have been passed on to provincial governments and producers' associations.

This has renewed interest among Canadian producers in the adoption of standards covering all Canadian production. Close contact is being maintained in this matter with the provinces and the trade. The province of Nova Scotia has a voluntary grading system in existence. The trade has various grading rules in use.

The operation of the grading system in the United States will be watched with close interest. It has been introduced at a late date in the current season. If it is successful, and if general support for such a grading system develops in Canada, consideration will be given to establishing a voluntary national standard for use in this market in future years.

REPORTED VISIT TO OTTAWA OF U.S. CONGRESSIONAL SUBCOMMITTEE

On the orders of the day:

Mr. E. G. Hansell (Macleod): Mr. Speaker, may I direct a question to the parliamentary assistant to the Minister of Trade and Commerce. I am sorry I was too busy to send notice of the question.

Since the minister has recently been to the United States discussing trade, could he make a statement on the reason for the forthcoming visit to Ottawa of members of the subcommittee on foreign trade policy of the House of Representatives of the United States congress, and tell us what might be expected from this visit?

[Mr. Herridge.]

Mr. Thomas M. Bell (Parliamentary Assistant to the Minister of Trade and Commerce): Well, Mr. Speaker, in the absence of the minister I will have to take notice of this question and see that an answer is given at an appropriate time.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, perhaps I might say something in reply to that question. The Boggs committee, so called from the name of the chairman, is a subcommittee of the committee of ways and means of the House of Representatives of the United States congress. It has gone abroad on a couple of occasions to consider in other countries questions pertaining to trade of such countries with the United States.

This committee is coming to Ottawa to be here on Wednesday and Thursday of this week to discuss such questions with the government departments concerned. After that discussion they propose, I believe, to go to Toronto on Friday. These will be informal discussions, I take it, for the purpose of exchanging information.

Hon. Paul Martin (Essex East): Is it not a fact that the government of Canada asked this committee to come to Ottawa at this time?

Mr. Fleming: No. I understand the committee, through the United States embassy here, expressed a desire to come to Ottawa for the purpose of these informal discussions.

Mr. Hansell: A supplementary question. May I ask the minister whether this is part of the subcommittee's work in the United States in respect of calling witnesses? Are we to understand that instead of calling witnesses before their committee, they are coming to Canada to interview witnesses?

Mr. Fleming: Mr. Speaker, I do not know what their intention is in regard to calling witnesses on their own soil. The purpose of their visit here, as we have been given to understand by the representatives of the United States administration here, is to come and have talks with a view to gathering information. That is all that has been indicated to us.

[*Later:*]

Mr. J. A. Byrne (Kootenay East): I should like to direct a question to the Minister of Finance with regard to the investigating committee that will be arriving here next week from the United States. Will the minister try to draw their attention to the very great importance of removing the tariffs on base metals entering the United States, impress upon them the very critical condition of the base metal mining industry, and also

point out to them how serious the situation will become if the United States imposes the proposed tariffs now being discussed?

Mr. Fleming: Mr. Speaker, just as the Canadian ministers did in their meeting with members of the United States administration at Washington several weeks ago, we expect to put those facts before the Boggs committee when they are here this week.

PRESS REPORTS OF PURPOSE OF CANADIAN MISSION TO UNITED KINGDOM

On the orders of the day:

Hon. James Sinclair (Coast-Capilano): I should like to address a question to the Prime Minister. Is the Prime Minister aware of current reports in the Manchester *Guardian* and other British newspapers to the effect that the proposed Canadian trade mission of leading businessmen which will visit the United Kingdom next month will be primarily a selling mission rather than a purchasing mission? If this is so, then how will this correct our present imbalance of trade between Canada and the United Kingdom?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I did see some press reports to that effect. The conclusions of the Manchester *Guardian* are ill-founded; therefore the rest of the question has no application.

INQUIRY AS TO DISCUSSIONS WITH PRIME MINISTER OF UNITED KINGDOM

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, in view of the question I put to the Prime Minister on Friday last could he now reply as to whether or not he had an opportunity of discussing matters of trade between the United Kingdom and Canada when he conferred with the Prime Minister of the United Kingdom on Friday and Saturday.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the discussions had to do with what had occurred in Washington and the need for unity among the free nations of the world, and also the ascertainment of the position of this country in regard to those decisions. Further than that we did not go.

FREIGHT RATES

RAPE SEED—REQUEST FOR REDUCTION IN RATE

On the orders of the day:

Mr. W. M. Johnson (Kindersley): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the necessity of growing alternative crops, due to wheat congestion, has consideration been given to reducing the freight rate on rape seed from the present extremely high rate of 70 cents a hundred pounds to a level more in line with other grains?

Hon. George H. Hees (Minister of Transport): I appreciate very much the hon. member's courtesy in advising me of his intention to ask this question.

A complaint respecting certain maximum freight rates on rape seed was heard by the board of transport commissioners. By its judgment, dated June 14, 1957, the board concluded that the present rates were not unreasonable and dismissed the application. I am not unappreciative of the impact of these rates on the growers of rape seed, and this matter is under consideration with my colleagues to ascertain whether some means might be available to meet the situation.

COMBINES INVESTIGATION ACT

BRITISH COLUMBIA—REQUEST FOR PUBLIC HEARING RESPECTING FISHERMEN'S UNION

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I should like to direct a question to the Minister of Justice. In view of the intense interest in British Columbia in the inquiry under the Combines Investigation Act involving the united fishermen and allied workers' union, and in view of the request of the union that the hearings be held in public, will the minister consider having the request complied with?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I wish to thank the hon. gentleman for giving me notice, and in reply I can tell him that I understand from the director that the request to which he referred is before the chairman of the commission at the present time. My information is that the chairman will be arriving at a decision shortly, and at that time it will be stated whether the request can be accepted or not.

METAL CULVERTS—INQUIRY AS TO IMPLEMENTATION OF RECOMMENDATIONS

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, may I direct a question to the Minister of Justice. Has the minister taken any action to implement the recommendations of the restrictive trade practices commission as a result of the investigation into the activities of the manufacturers of metal culverts and related products?

Inquiries of the Ministry

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I thank the hon. gentleman for the notice of this question which he sent me. Inasmuch as this matter is before me at the present moment for a decision which would be required to be communicated to the parties, I hope he will understand why I am unable to make a statement at this time. I can say, however, that I expect to be able to make a statement in the very near future.

RESEARCH AND DEVELOPMENT

INQUIRY AS TO PARTICIPATION OF CANADA IN ANGLO-AMERICAN GROUP

On the orders of the day:

Hon. L. B. Pearson (Algoma East): Mr. Speaker, I should like to ask the Prime Minister whether, in accordance with the pattern established during and after world war II, Canada was invited to participate in the Anglo-American group set up last week in Washington to make recommendations in the field of nuclear relationship and co-operation?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as I understand it the committee is just a temporary one and has no finality about it. All that was achieved in Washington was a general sense of direction. The horizons were viewed, a general course was taken, and when the permanent committees are set up in order to implement the agreements arrived at there, then there will be time for Canada to be represented on those committees.

HOUSING

RESOLUTION OF NATIONAL RETAIL LUMBERMEN'S ASSOCIATION

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I should like to direct a question to the Minister of Public Works. Now that the minister has had ample time to consult his department to ascertain if he has received the resolution from the National Retail Lumbermen's Association, is he prepared to advise the house if Central Housing and Mortgage Corporation has accepted the recommendations of this association in order to stimulate the home building program, mainly in the Atlantic provinces?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, the brief submitted by that association is being given very careful study by Central Housing and Mortgage Corporation.

[Mr. Zaplitny.]

REPORTED INCREASE IN INTEREST RATES

On the orders of the day:

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, on October 24 the hon. member for Nanaimo (Mr. Cameron) addressed a question to the Minister of Finance respecting the increase in interest rates on National Housing Act loans for low rental housing developments, effective October 11, 1957.

It must be emphasized, first of all, that the rate changes do not affect insured loans to home-owner applicants. They remain unchanged at 6 per cent.

Under sections 16 and 17 the governor in council may approve direct loans recommended by Central Mortgage and Housing Corporation for limited-dividend companies and for primary industries for the provision of low rental accommodation. These loans are made from funds advanced to the corporation from the consolidated revenue fund.

Hon. members are aware that in recent months the entire interest rate structure has moved upward. Everyone has had to pay more for credit accommodation. The federal government is no exception. This was evidenced very recently by the higher interest being paid on the new issue of government of Canada savings bonds. Consequently, on October 1, 1957, the government increased its borrowing rate to Central Mortgage and Housing Corporation to 4⅜ per cent from 4⅛ per cent. This rate is fixed for a period of six months. Since the rate of interest on limited-dividend loans was 4¼ per cent, this meant the corporation would incur a loss of ⅛ of 1 per cent interest on every such loan approved, approximately 7 cents per $1,000 per month over a period of 40 to 50 years.

By order in council P.C. 1957-1378 interest rates to be charged on loans under sections 16 and 17 are now established by the governor in council in approving the making of each loan. It is anticipated that the rate thus established on loans approved between October 1, 1957, and March 31, 1958, will be 4½ per cent per annum for loans under section 16 and 5½ per cent per annum for loans under section 17. This provides the corporation with a margin of ⅛ of 1 per cent toward its administrative costs on limited-dividend loans. The rate of interest for primary industry loans was increased concurrently to maintain the traditional spread between section 16 and section 17 loans.

FINANCE

PROVISION OF CREDIT FOR YOUNG FARMERS AND SMALL BUSINESSMEN

On the orders of the day:

Mr. J. H. Harrison (Meadow Lake): I should like to address a question to the Minister of Finance. Has the government any immediate plans for bringing down legislation to provide credit for young men starting to farm, and for small businessmen?

Mr. Speaker: I am sure a question as broad as this and relating to policy is not one that is contemplated for this stage of the order paper.

INQUIRY AS TO STEPS TO IMPLEMENT EASY MONEY POLICY

On the orders of the day:

Mr. J. H. Harrison (Meadow Lake): Mr. Speaker, may I direct a question to the Minister of Finance. Could the Minister of Finance advise of any steps being taken by the government to implement the easy money policy he advocated last session?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I am not aware of having advocated any easy money policies.

HEALTH INSURANCE

ONTARIO—INQUIRY AS TO ASSURANCE BY FEDERAL GOVERNMENT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. In view of the welcome announcement over the week end that hospital insurance will be put into effect in the province of Ontario not later than January 1, 1959, can the government say whether Ontario has been assured that there will be six provincial plans in operation by that date so that federal money can be made available to Ontario, or has the government given Ontario any other kind of undertaking to make sure that such federal money will be available when the plan comes into operation in Ontario?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, the answer is actually no to both questions, but I am sure the hon. member will agree that undoubtedly the plan will be coming into force in due course.

Mr. Knowles (Winnipeg North Centre): May I ask a supplementary question. Is Ontario depending for the implementation of its plan on January 1, 1959, on getting federal money at that time?

Mr. Monteith: I would assume that they would appear to be, according to the newspaper stories I have seen. I have not had an opportunity of going into the whole situation. No agreements have been signed so far.

[*Later:*]

Mr. H. R. Argue (Assiniboia): I would like to address a question to the Minister of National Health and Welfare. Since Ontario is now apparently committed to participate in a hospital insurance plan to commence January 1, 1959, is the federal government prepared to make payments to those provinces which have plans in operation now or on January 1, 1958—promptly?

Mr. Monteith: No, Mr. Speaker, no provinces have actually entered into agreement with the federal power as yet.

Mr. Argue: May I ask a supplementary question. Do I take it from the answer of the minister that the government is prepared now to enter into plans with the provinces so that payments may be made from the federal treasury towards those plans which are in operation January 1, 1958?

Mr. Speaker: The original question which the minister accepted seemed to me to ask for a pretty broad declaration of policy. I think I might exclude the supplementary question under these circumstances.

[*Later:*]

Mr. W. H. McMillan (Welland): Mr. Speaker, the announcement of the Ontario plan for hospital insurance includes treatment for tubercular and mental diseases in the premium rates as announced. Does this government intend to recommend any contributions in respect to the treatment of these diseases?

Some hon. Members: Order.

Mr. Speaker: I am sure the hon. member will recognize that his question is an invitation for a declaration of government policy.

Mr. McMillan: Mr. Speaker, I rise on a question of privilege. The authorities in Ontario require to have this information before they can set these rates—

Mr. Speaker: What is the hon. member's question of privilege?

Mr. McMillan: If the province of Ontario has this information it should be given to this house.

Inquiries of the Ministry

EXTERNAL AFFAIRS

DISCUSSIONS WITH U.K. PRIME MINISTER—DELEGATION TO NATO

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Can the Prime Minister tell the house anything about his discussions with the Prime Minister of the United Kingdom on Saturday and the announcement in the press that the Prime Minister himself will lead our delegation to the NATO conference in December?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, in answer to the question of my hon. friend I wish to say this. The Prime Minister and the foreign secretary of the United Kingdom, accompanied by their officials, visited Ottawa on Friday evening and part of Saturday after their conversations in Washington and we—certain of my colleagues and myself—had the opportunity to discuss the questions that had arisen in Washington.

Since the meeting of the prime ministers in London in June I have been in close touch with Mr. Macmillan and naturally I welcomed the opportunity to discuss matters of common interest.

The Prime Minister of the United Kingdom and the foreign secretary described the conversations which they had had with President Eisenhower and Mr. Dulles. With the leave of the house I should like to table the communique issued in Washington on October 26 by the Prime Minister and the President of the United States.

Hon. members, I am sure, have been impressed by the obvious importance of this meeting and its significance in the world today. As we chatted with the Prime Minister we were greatly impressed by his appreciation of the interdependence of the free nations. That attitude is fully shared by this government. The discussions that took place in Washington were not intended to reach conclusions on matters of detail, and far less was it intended to arrive at formal and signed agreements. Just as I said a moment ago in answer to my friend the hon. member for Algoma East (Mr. Pearson), the destination was indicated, the direction was determined, but the means to achieve either were not in any way finalized.

I believe this conference between the Prime Minister and the President in Washington has made possible great forward steps not only by the partnership of the United Kingdom and the United States, but also in the fact that it provides an assured opportunity for many countries to broaden and strengthen their peace and security within

[Mr. McMillan.]

NATO. I think the communique makes it clear—and our conversations certainly supported that impression—not only that the government of the United States and the government of the United Kingdom were in close agreement in their approach to the basic problem of the free world but, in addition, that they determined to open a clear road on which western countries could go forward in interdependence and co-operation.

The hon. gentleman would not expect me to comment in detail, but I would draw the attention of the house to many passages in which practical measures of co-operation are indicated. Stress is once more laid on the importance of disarmament and also, in the absence of effective disarmament, on the furtherance of collective defence arrangements. Thus to the agreed ideology of the free nations there can be added a greater sharing of scientific knowledge accompanied and reinforced by co-operation in the economic field.

As Canadians we welcome this further increase of common understanding and, I believe, imaginative thinking on the part of two great powers with whom we are so closely associated. The results achieved in Washington will have particular significance in the North Atlantic Treaty Organization, which will be one of the principal means through which practical results can be achieved.

The hon. member mentioned the December meeting. No final determination has been made as yet regarding the attendance of heads of government, although I think we can look forward with certainty to such a meeting taking place. As he said, I propose to attend the meeting. I understand also that proposals may be sent out to the heads of NATO countries to be present at the important discussions which will inevitably take place at that time.

As far as the discussions are concerned which took place here on Friday and Saturday, they are of a confidential character and I am sure the hon. gentleman will understand that they could not properly be repeated in full detail in this house. However, I feel that a great step forward has been made, and that any of those separations that kept us apart at any time since 1945 have been closed as a result of the meetings that have taken place. The Prime Minister of the United Kingdom and the President of the United States met as friends who were in the war together. They met with the objective of bringing about that unity which assured peace in the days of war, and peace with victory.

Today, as a result of the meeting there, I am extremely hopeful that the essential character of what may prove to be a milestone on the pathway to security of the free world has been attained. The objective unites us. The dangers of the present give us a cohesion similar to that which existed in the days of war. With unity and firm determination I believe that the Washington meeting will in the years ahead represent a step worthy of the best in both the nations represented, and that it will in general, in its objective, be acceptable to all those nations which are joined together in the North Atlantic Treaty Organization.

Mr. Coldwell: Mr. Speaker, the Prime Minister did not answer the question with regard to the announcement in the press that he had made the statement that he himself would lead the Canadian delegation to the NATO meeting in December. Is that report correct?

Mr. Diefenbaker: Mr. Speaker, in my remarks I said I was going to attend that meeting.

Mr. Coldwell: I did not hear that statement.

Mr. Diefenbaker: The hon. gentleman asked whether I will head the delegation, and that is so.

Mr. Coldwell: I did not hear the Prime Minister say he was going to attend the meeting. Otherwise I would not have risen.

Mr. Speaker: Has the Prime Minister leave to table the joint communique to which he referred?

Some hon. Members: Agreed.

HOUSE OF COMMONS

READING ROOM—INQUIRY AS TO AIR MAIL SERVICE FOR NEWSPAPERS

On the orders of the day:

Mr. Irvin Studer (Swift Current-Maple Creek): Mr. Speaker, I would like to address a question to the Postmaster General. Is the Postmaster General aware that a period of from four to six days elapses from the date of publication before western daily newspapers are available in the House of Commons reading room? Is the minister contemplating air mail service for daily papers for the House of Commons so all members will have contact with news events in their provinces equal to that of central Canadian members?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, the Post Office Department would be delighted to provide air mail service for all newspapers which wish to pay for it. I might point out for the benefit of hon. members and perhaps the newspapers that there are certain newspapers in this country which do provide that service—

An hon. Member: The Vancouver *Sun*.

Mr. Hamilton (Notre Dame de Grace): —in order that members may receive their newspapers more expeditiously.

SOUND SYSTEM—DIRECTIONS TO NEW MEMBERS AS TO USE

On the orders of the day:

Mr. Speaker: Hon. members will find on their desks a chart of the Tannoy system of sound reproduction for the House of Commons. I asked that the furnishing of this chart be repeated following the request of the member for Vancouver East (Mr. Winch) the other day. I believe if members locate themselves on the chart with respect to the nearest microphone, and also read the explanations as to the microphones which are activated when they rise to speak, this will enable hon. members to address themselves generally in the direction of the microphone which is active so we will be able to hear in all parts of the house.

POST OFFICE DEPARTMENT

QUEBEC CITY—COMMEMORATIVE STAMP FOR 350TH ANNIVERSARY

On the orders of the day:

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, on Friday last I was asked by the hon. member for Dorchester (Mr. Landry) a question with respect to the possibility of a stamp to commemorate the 350th anniversary of the founding of Quebec city. I am very glad to tell him that such a stamp is currently in the process of being designed and will be issued in 1958.

REQUEST FOR MINTING OF COMMEMORATIVE SILVER DOLLAR

On the orders of the day:

Mr. Augustin Brassard (Lapointe): Mr. Speaker, may I direct a question to the Minister of Finance. I am sorry I could not give him notice of my question. Is it the intention of the government to consider the minting of a silver dollar to honour the 350th anniversary of the founding of the city of Quebec?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I am not aware that the matter has been suggested. I think my hon. friend will appreciate the fact that I could not undertake to give an answer on the spot today.

Inquiries of the Ministry

COAL

INQUIRY AS TO STEPS TO ASSIST PRODUCTION AND MARKETING

On the orders of the day:

Mr. C. E. Johnston (Bow River): I would like to address a question to the Minister of Mines and Technical Surveys or to the Minister of Trade and Commerce, whoever is in a position to answer it. What steps has the government taken to increase coal production and marketing in Canada so that our coal mining industry might have some relief from its present depressed condition? Especially am I interested in the coal mining industry in western Canada.

Hon. Paul Comtois (Minister of Mines and Technical Surveys): I will take due notice of the question and will have the answer tomorrow or the day after.

PUBLIC SERVICE

DEPARTMENT OF TRANSPORT—DISMISSAL OF EMPLOYEES FOR POLITICAL PARTISANSHIP

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I address a question to the Minister of Transport. I have not sent him notice of this question as I did of the last one, but I am sure he will be able to answer quickly since it concerns a matter which probably has already been decided by him. Is it the policy of his department to dismiss employees in the Department of Transport merely because of charges of political partisanship?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, according to the rules and regulations of parliament as I understand them, if a member of parliament over his signature states that a civil servant or somebody working for the government has actively participated in political activity during a campaign, that person can be dismissed.

Mr. Chevrier: Mr. Speaker, may I ask a supplementary question. Are such dismissals made without a hearing or without an investigation even on the part of your department, or without giving an opportunity to the person dismissed to be heard by the employers in the department?

Mr. Hees: Anybody who would be charged would definitely be given an opportunity to be heard.

Mr. Winch: Where is the regulation?

Mr. Coldwell: Is this laid down in the regulations, that there is an appeal for the employees?

[Mr. Fleming.]

Mr. Hees: I understand, Mr. Speaker, that has been the practice followed in the past, but I will check it up.

Mr. Chevrier: No, it is not. I would like to ask a supplementary question, Mr. Speaker. Will the minister tell the house if the holder of position No. 64—I do not desire to mention his name in the house—who was a labour foreman on the Ontario St. Lawrence canal, was dismissed on the complaint of a member of this house because of political partisanship?

Mr. Hees: I do not know the particular case, Mr. Speaker, but I will certainly look it up.

Mr. Chevrier: Will the minister report to the house?

Mr. Hees: Naturally.

[*Later:*]

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I should like to direct a question to the Prime Minister supplementary to the one that was raised by the hon. member for Laurier. Will the Prime Minister inquire into, and table, how many civil servants, or those holding contracts with the government, were dismissed owing to their political activity? Will he outline the circumstances of the dismissal in each instance (a) prior to the election, after the writ was issued; and (b) after the election?

Some hon. Members: Order.

Mr. Hahn: Will the Prime Minister table such a list?

Mr. Speaker: I think it has been suggested from the ministerial benches that this question is an appropriate one for the order paper, and I think that is the answer the hon. member has received to his question.

PATENT ACT

INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I wish to direct a question to the Secretary of State. Has the minister yet received the report of the royal commission on patents, copyrights, trademarks and industrial design? If not, can the minister say when the report may be received and when it will be made public?

Hon. Ellen L. Fairclough (Secretary of State): Mr. Speaker, the commission has not yet signed its report. The report in English on copyright is ready, and a final draft in French

is being prepared. Both will be presented in this house within a month, I hope within a couple of weeks.

With regard to the report on industrial design, the commission has been working on the final draft and we hope it also will be ready within a month, though that is not a definite promise; it is a little too early to tell.

With regard to patents, the commission has made tentative plans to resume sittings in March, 1958. The first draft of the discussions to date has already been prepared.

Finally, with regard to trademarks, the commission has purposely postponed both the hearings and sittings until an appropriate time has elapsed since the coming into force of the new Trade Marks Act so the results of that act can be studied.

SEARCH AND RESCUE

REQUEST FOR REPLY TO QUESTION ON ESTABLISHMENT OF CANADIAN COAST GUARD

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, may I ask the Minister of Transport whether he would inquire into the reason for the delay in answering my question about the establishment of a Canadian coast guard, which has been on the order paper as No. 35 for some considerable time.

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I should be glad to do so. I know that the answer has been prepared for at least a week.

COMMONWEALTH CONFERENCE

STATEMENT ON RECENT MEETING OF PRIME MINISTERS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have been asked on a couple of occasions by the hon. member for Essex East (Mr. Martin) to make a statement about the meeting of the commonwealth prime ministers which was held in London from June 26 to Friday, July 5, of this year.

For me it was a novel experience, and what particularly impressed me was the atmosphere of friendship and understanding which prevailed. The meetings were presided over by Mr. Macmillan, and I was conscious of the sense of unity and common purpose which lay behind our discussions. While there was disagreement in terms on occasion there was, as the Leader of the Opposition (Mr. St. Laurent) said in this house in reporting on an earlier conference, a unity in the common dedication of all members of the commonwealth to the preservation of freedom.

Meetings of prime ministers are, of course, not the only means, though they are certainly one of the means, whereby consultation is maintained among members of the commonwealth. For the first time the representative from Ghana was present and, in addition, a welcome in anticipation was given to Malaya. What took place in this regard reflected the ability of the commonwealth to adjust itself to changing conditions.

I must say a word in regard to the Prime Minister of Ghana. He not only added to the value of the discussions, but by his presence he illustrated that wise and orderly process under which the statesmen of the United Kingdom bring about the evolution to sovereign status of the various nations which previously held colonial status. This is one of the things of which I think all of us in the commonwealth can be really proud, the bringing together of peoples without regard to race or colour, and the steps taken for them to have the opportunity to become independent nations and, by their own decisions, to remain within the family of nations.

The discussions were, naturally, held in camera. A communique was issued at the end of the meetings which gives a fair impression of the scope and extent of the discussions, and, by leave of the house, I should like to table the document so it might be printed as an appendix to today's *Hansard*.

(For text of communique referred to above, see Appendix "B", pages 498-9.)

The subjects discussed are set out in the communique: the United Nations; the tragic events, the noble events, in Hungary; disarmament; the problems of the Middle East, the Far East and southeast Asia; and, in addition, there was a review of economic conditions and means of furthering and expanding economic development within the commonwealth.

I mentioned the United Nations. I am going to refer specifically to the clause in that connection which summarizes fairly completely the attitude of the prime ministers and the representatives of these countries within the commonwealth to that body:

> The United Nations was designated to provide one of the main opportunities for the practical exercise of the principle of co-operation between nations. Experience has, however, revealed certain deficiencies and weaknesses in the functioning of the organization. The commonwealth ministers agreed that constructive action is needed to strengthen and improve the United Nations as an instrument for preserving peace, justice and co-operation throughout the world in accordance with the principles of the charter.

Because of the events in the Middle East and in Hungary in November of last year which demonstrated the strength and the

weaknesses of the United Nations, there was a feeling in several of the commonwealth countries that our ideas about its functions and procedures deserved to be reviewed. There was an underlying belief in its importance in the world, and at the same time a realization that being of human origin it had its imperfections, and that while it might be difficult to remove some of those imperfections which had been found as a result of the trial and error of experience it had nonetheless performed effectively its work in general.

I expressed the view of Canada, as I saw it, that while the United Nations had made mistakes we demanded its continuance. I also suggested that unless the tendency toward bloc voting could be checked the authority of the assembly would be undermined. In my opinion governments should vote in the light of what they see as the best interests of the world rather than as members of a voting bloc.

You will see from the reading of the communique that all were agreed about the necessity for the maintenance of the organization, and all were equally agreed that it was the duty of all governments to seek means of increasing its effectiveness.

Another question raised was that of disarmament, and an appreciation of the terrible form which a third war would take. There was no disagreement that every effort should be made to bring about a comprehensive disarmament agreement which would afford security to all nations, and that even a limited agreement would be a most desirable first step.

Since our meeting was held the subcommittee on disarmament, of which Canada is a member, ended its latest series of meetings without reporting any substantial progress, and as you know the question is now being discussed at the United Nations. My colleague the Secretary of State for External Affairs spoke in the assembly debate on Wednesday morning, and emphasized that the fundamental task before mankind is not merely to save the world from war but as well to save it from destruction.

We also discussed the question of commonwealth trade and economic relations. As my colleague the Minister of Finance mentioned in the house on Wednesday, I invited the commonwealth finance ministers to meet in Canada after the September meeting of the international monetary fund. It is my view that within the commonwealth framework a great deal more can be done than has in fact been accomplished to increase and diversify international trade and expand the means whereby commonwealth members can assist each other's economic development. Increased trade and co-operation in our economic relations will, I hope, be materially advanced as a result of the commonwealth trade and economic conference which is an outgrowth of the discussions which took place at the commonwealth prime ministers' conference. I believe this trade and economic conference will be a practical step of value to all members of the commonwealth.

There are other though less tangible factors which bind together the members of the commonwealth. If they are not easy to measure they are nevertheless of major significance. I have in mind the general summary of the Leader of the Opposition when reporting on the last conference, when he pointed out the degree in which unity was brought about in diversity among various races and peoples in an organization that has no binding rules and no actual formation in so far as a written agreement is concerned. We are bound together, and it was extremely apparent there, in the great objectives which we hold in common. They have been said before and they bear repeating at this time and at all times: to preserve the liberty of the individual, to increase the social and economic well-being of all peoples and, above all, the need of each of the component parts working ceaselessly toward peace.

While no actual resolutions or final determinations arose out of that conference—for that is the course that is always followed in these conferences—there were in effect decisions made whereby each of the members of the commonwealth agreed without exception that only in continued co-operation and also in the maintenance of full consultation can the commonwealth achieve that destiny which is the hope of its peoples everywhere.

Mr. Speaker: Is the proposal of the Prime Minister to have this communique printed acceptable to the house?

Some hon. Members: Agreed.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, arising out of the Prime Minister's statement, I wonder if he could inform the house as to what extent the problem of surplus agricultural production in various nations of the world was discussed, and also the even more critical problem of deficiency of production in certain other commonwealth countries, and generally whether any discussion took place of an expansion of agricultural production in the commonwealth as a whole?

Mr. Diefenbaker: Mr. Speaker, the question of the need of preserving the agricultural machine in every part of the commonwealth was discussed, and the need of the needy nations was a matter of consideration.

All were in agreement—and I am sure hon. members of this house are in agreement—that food production is of major importance as a bulwark for the preservation of the free world against the advance of communism. I think Canada's action announced the other day in connection with the Colombo plan is but an indication of the fact that surpluses of agricultural products are indeed a trust to be maintained for the benefit of peoples less economically independent. Our action in providing for assistance to Pakistan and India under the Colombo plan in the form of agricultural products is an indication of the determination arrived at at the conference.

BRITISH COLUMBIA

INQUIRY AS TO MINTING OF CENTENNIAL SILVER DOLLAR

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I desire to direct a question to the Minister of Finance. In the closing session of the last parliament the previous minister of finance gave a commitment that there would be the minting of a silver dollar in honour of the centenary of British Columbia. Could the Minister of Finance tell us whether that commitment made previously is now being honoured, and if there will be a minting of a commemorative silver dollar?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the dollar has been minted. I think when my hon. friend sees it he will recognize it as entirely worthy not only of the centennial in the life of British Columbia but also of the high standards of the Royal Canadian Mint.

Mr. McIvor: I should like to ask the Minister of Finance this question. If we wish to purchase these dollars what will they cost?

Mr. Fleming: Mr. Speaker, they will cost 100 cents.

PUBLIC BUILDINGS

WINNIPEG—OPENING OF NEW POST OFFICE—DISPOSITION OF OLD POST OFFICE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Can he say whether a date has been fixed for the official opening of the new post office building in Winnipeg?

Hon. Howard C. Green (Minister of Public Works): No, no date has yet been set, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): As a supplementary question may I ask the minister whether a decision has yet been made as to what will be done with the old post office building when the new one is opened?

Mr. Byrne: Conservative headquarters.

Mr. Green: The hon. member had better give us a little time on that question.

GRAIN

MEASURE TO PROVIDE CASH ADVANCES ON FARM-STORED GRAIN

Hon. D. S. Harkness (for the Minister of Trade and Commerce) moved the second reading of Bill No. 14, to provide for advance payments for prairie grain prior to delivery thereof.

He said: Mr. Speaker, I am substituting today for the Minister of Trade and Commerce (Mr. Churchill) who at the present time is heading our delegation at the GATT meeting at Geneva, for which he had to leave by air on Saturday. I regret and he regrets that he is not able to be here today to complete the piloting of this bill through the house.

The bill now before us appears to have the general approval of the house. On Thursday last, during the resolution stage, the Minister of Trade and Commerce outlined the main features of the bill, and hon. members who spoke had no serious criticism to offer. Some emphasized that it was a step in the right direction, but that it did not go far enough. Others considered that the 6-bushel quota was insufficient. I suppose, Mr. Speaker, that no bill could be introduced in this house along this line, or along most other lines without having some people in the house ask for more.

When the vote was taken only three members of the house opposed the resolution. I hope second reading will receive the same almost unanimous consent. The House of Commons recognizes good legislation and this is good legislation; for it is designed to, and will, assist one of the most important segments of our economy. Canada's wheat industry has played a predominant part in the economic life of our country and through our export trade, has earned the income to pay for a large part of our imports.

At the resolution stage the former minister of agriculture, the hon. member for Melville (Mr. Gardiner), suggested that the Prairie Grain Producers' Interim Financing Act

should not be repealed, that it could be helpful in the early part of any marketing season. Let me make three points on this suggestion. First, the bill now before the house does not repeal the Prairie Grain Producers' Interim Financing Act; second, some weeks ago, as the first step to meet the critical shortage of cash, the government proclaimed the interim financing act which provides loans to prairie producers through the chartered banks, and I am pleased to report to the house that these loans were made available by the banks at 5 per cent interest, notwithstanding the recent increase in the interest rate on other bank loans; third, while we are not proposing the repeal of this act, I do not expect it will be used extensively, if at all, when the system of cash advances comes into effect.

On many previous occasions I have expressed the view that producers should be able to obtain cash advances rather than have to seek bank loans when the elevator system is congested, and I am certain that the bank loan system will fall into disuse.

The Minister of Trade and Commerce has already paid a visit to our major markets in Europe, in company with members of the Canadian wheat board. He reported to me that it was a most stimulating and on the whole heartening experience. He found that Canadian wheat is held in high regard in the United Kingdom and western European countries. Our main difficulties have arisen from the continuing encouragement that is being given to domestic production in European countries by import restrictions as well as very high support prices, and from the effects of United States barter sales. On a straight commercial basis we are fully competitive and holding our own, and we intend to remain that way. Our sales to the United Kingdom and Europe this crop year should compare favourably with last crop year.

I have referred to the surplus disposal activities of the United States as one of the main obstacles in the way of selling more Canadian wheat. It has seemed to me for some time that these activities on the part of our good neighbour to the south called for plain public speaking on our part. The Prime Minister and other members of the government have done some of that kind of speaking, and I do not think that we offended anyone. On the other hand I believe the United States administration, more of the congress and more of the American people, now know that we have a legitimate grievance.

When the joint United States-Canada committee on trade and economic affairs met in Washington a few weeks ago the Canadian members made strong representations to the United States administration on this subject of surplus wheat disposal. In particular we protested against the effects of the barter program under which the United States exported about 90 million bushels of wheat during the past crop year. I should perhaps explain to the house that, in effect, this barter program has been only a concealed form of additional subsidy by the United States. The result has been to reduce normal United States commercial sales as well as hurt the Canadian competitive position.

We found that our United States colleagues agreed in the main with this point of view, and they affirmed to us their intention that before approving further barter transactions they would require proof that those transactions would result in additional sales. If this intention is adhered to, barter transactions are not likely to be important from now on. We also found the United States members in agreement that surplus disposal should not be permitted to interfere with normal commercial exports, and they provided evidence that their programs are being directed more and more to underdeveloped countries in acute balance of payment difficulties. We also talked with them about the tied sales provisions of surplus disposal agreements, and found that the administration had moved some way to our point of view.

I do not wish to create the impression, Mr. Speaker, that the Canadian government were fully satisfied with these discussions. We know that congress and not the administration makes the laws of the United States. We know too that so long as a large surplus exists in the United States and there is pressure to get rid of it there will continue to be trouble. But at least I believe we are making progress.

When the resolution preceding this bill was before the house my colleague the Minister of Trade and Commerce gave a brief description of the proposal for cash advances on farm-stored grain. The bill is now in the hands of hon. members. As will be seen, this is a simple, straightforward plan. The establishment of an elaborate system of inspection of grain on the farm and the sealing of bins was considered and rejected. It would have involved an army of inspectors and a very large expenditure which in our view could not have been justified under existing circumstances. Instead, it was decided to proceed through the efficient and familiar machinery which has been in operation in western Canada for many years.

The bill proposes that the advances should be made in the same manner and through

the same channels as initial payments are now made by the Canadian wheat board, namely through the local country elevators. These elevators now buy grain for the wheat board under a handling agreement. We propose that they should make advance payments on behalf of the wheat board in a similar way.

It will be apparent to hon. members, as it was to those of us in the government, of course, that there is a considerable difference between paying for grain that has been delivered into a country elevator and making an advance on grain still on the farm and that has not yet been delivered. The government, therefore, consulted with representatives of the wheat pools, the united grain growers and the northwest line elevator association, as well as representatives of the interprovincial farm union and the Canadian Federation of Agriculture. I am happy to be able to report to the house that these organizations have agreed to co-operate with the government and the wheat board in making advances available through their local elevator agents and to assume a share of any losses that may result.

I have here the telegrams in answer to the request which was made to the pools, the united grain growers and the line elevator companies after discussions had been held with them and what was required of them had been outlined to them. They then went back to consult their boards of directors, and in all cases they sent favourable replies. The first one is from Ben Plumer, chairman of the Alberta wheat pool.

Mr. Argue: What is the date?

Mr. Harkness: The date is October 17. The telegram reads as follows:

> Reurtel October 17 on question of financial responsibility to be assumed by agents of the board in making cash advances on farm-stored grain. We are pleased to inform you that the Alberta wheat pool is prepared to co-operate with the government and Canadian wheat board on your proposed bases of making advances on grain available to western producers.

The next one is from John H. Wesson, chairman of the Saskatchewan wheat pool, and it is also dated October 17. I may say that these telegrams are all addressed to the Minister of Trade and Commerce. This telegram reads as follows:

> Have discussed your wire of even date with our directors now in session. As previously advised you Saskatchewan wheat pool is prepared to co-operate fully with wheat board in making cash advances to producers. We are also prepared to accept 10 per cent of ultimate loss experienced on advances made by Saskatchewan wheat pool subject to a maximum liability of one-quarter of one per cent of total advances made by us.

Almost exactly the same telegram was received from W. J. Parker, president of the Manitoba pool elevators. From J. E. Brownlee, president of the United Grain Growers, this wire was received:

> Thanks for wire. Maximum loss ceiling satisfactory. Have already written and wired that United Grain Growers will be glad to co-operate.

From the line elevator companies there is a long telegram which reads as follows:

> Reference our meeting with you in Ottawa October 5th, 1957, concerning advances on farm-stored grain. The line elevator companies are prepared to co-operate with the government of Canada and the Canadian wheat board in making the advances to farmers in the current crop year. The companies herein referred to are—

There is a whole list of them which I will not take the time to read. The telegram is signed by Cecil Lamont, president of the North-West Line Elevators Association.

I have purposely read these telegrams, Mr. Speaker, so there may be no question in anyone's mind that the wheat pools, the United Grain Growers and the line elevator companies are all co-operating completely with the government and the wheat board in putting this scheme of cash advances into operation. Briefly, the procedure will be as follows. The elevator companies will make the advances. The wheat board will reimburse them as quickly as possible for the advances they have made. The elevator companies will return the advances as they are collected from producers' current deliveries, and when the accounts are closed out and losses are determined the elevator companies have agreed to absorb 10 per cent of those losses in respect of each individual advance. Losses are not expected to be significant, but in any event individual companies will not be required to absorb, by way of losses, more than one-quarter of one per cent of the total advances they have made.

It is highly desirable that those who make the advances should exercise a reasonable degree of prudence, that they should scrutinize and check applications with care, and in particular that they should avoid competing with one another in the making of advances. The representatives of the elevator organizations, co-operative and private, agreed with this point of view, and I wish at this time to pay tribute to their public-spirited attitude. I believe parliament can be assured that cash advances will be made efficiently and without unnecessary expense through the machinery so familiar to the producers themselves, namely the country elevator operator.

I should like to say a word or two about the amount of the advance. The general

intent of the legislation is to advance approximately half the initial payments for the undelivered portion of a 6-bushel quota, and to recover the advance by deducting half the initial payments when the grain is delivered. It will be apparent to hon. members familiar with western farming conditions that if the advance were to be fixed at exactly one-half of the initial payment at the local point it would be necessary for the elevator agent to make a thorough inspection of the grain on the farm and agree with the producer about the grade. Manifestly this would lead to interminable delays. Hence the advances were fixed at round figures approximately about one-half the initial payment at the local point for the typical grade of wheat, oats and barley, namely at 50 cents for wheat, 20 cents for oats and 35 cents for barley.

While advances are available to all producers, large and small, the plan is designed to be of most help to the smaller producer. On the one hand, there is an over-all limitation on the amount that can be advanced to an individual producer in any one year, namely $3,000. On the other hand, there is to be no deduction for repayment of advances from the unit quota of 300 bushels of wheat which is available at the beginning of the crop year to all producers, regardless of their cultivated acreage. Deliveries on this unit quota of 300 bushels, which is of most value, of course, to the small operator, will be available in cash early in the season, plus an advance of about half the value of subsequent deliveries on the general quota of 6 bushels per acre.

In return for this advance the producer will be required to undertake to deliver grain to the wheat board as soon as delivery opportunities are available, and to permit one-half of the proceeds of sale to be deducted in repayment of the advance. If he fails to deliver enough grain to repay the advance he will, of course, be required to repay the balance in cash. The amount of the advance will be endorsed in the permit book, and will be notice to all elevator companies that an advance has been made to the permit holder and that until the advance has been retired and the endorsement cancelled, one-half the proceeds of deliveries of wheat, oats and barley must be applied to repayment of the advance.

Advances will be available just as soon as the necessary forms can be distributed and they will be available up until June 1, 1958. In subsequent years advances will be available from the beginning of the crop year until June 1 of that year. These are advance payments of the initial price which will be paid by elevator agents on delivery of the grain. They are not loans. For that reason no interest will be charged to the recipient of the advance except if he goes into default when he will be charged interest on the unpaid amount of the advance.

I also wish, Mr. Speaker, to draw the attention of the house to the fact that since these are advance payments and not loans, they are to be regarded as part of the initial payment. They are subject, for example, to whatever arrangements would apply to the initial payments themselves as between tenant and landlord and producer and creditor. I mention this point because there may be some concern that the government is proposing by this plan to affect the status of such matters as tax liens filed with country elevator agents. This is not so. These advances are to be regarded as part of the initial payment for grain and will be treated in exactly the same way as the elevator agent has always treated initial payments for grain. Since the rights of those interested in the proceeds of sale are not to be interfered with at the time the advance is made—in other words the advance is to be considered as part payment—priority in repayment will be asserted by deducting one-half of the proceeds of subsequent deliveries of wheat, oats and barley before payment is made to the permit holder.

In the committee stage there will be an opportunity to discuss these points at greater length but in order to complete this general explanation I shall add a word or two about financing and administration. Hon. members will note from the bill that it is proposed to enlarge the borrowing powers of the wheat board to include borrowings from the chartered banks for the purpose of making advances, subject to guarantee of the Minister of Finance (Mr. Fleming). The chartered banks which finance the other operations of the board have indicated that they will be prepared to lend additional moneys to the board for this purpose under the same terms. The interest rate now applying to wheat board borrowings is 4¼ per cent. Interest charges, as they accrue to the wheat board, will be paid by the Minister of Finance out of the consolidated revenue fund.

Finally I come to the question of losses. These should not be important under the arrangement between the wheat board and the elevator companies. Such losses as there are will be shared between the elevator companies and the treasury; they will not fall upon the wheat board.

Mr. Speaker, the second reading stage of a bill is that on which we deal with the general principle of the legislation. The

general principle of this bill is very simple. It is that cash advances be made to western farmers on grain which they hold on their farms and are not able to deliver because of the congested situation of our grain handling facilities. The bill provides for bona fide cash advances and not loans.

I trust there will be no confusion in anyone's mind on this score in spite of the attempt of the hon. member for Rosthern (Mr. Tucker), when speaking on Thursday last, to establish that there is no real difference between the system of cash advances here proposed and the loans provided by the legislation of the previous government. This was a continuation of the line he followed last year, that the loans instituted by the Liberal government were what the farm organizations had asked for when they requested cash advances. The hon. member does not seem to realize even yet that the farmers of western Canada were overwhelmingly against his party's loan act. He just does not seem to be able to learn from experience. On Thursday last the hon. member for Rosthern, as reported at page 366 of *Hansard*, said this:

> Let the Minister of Agriculture say what difference there is, except in the manner of getting it, between getting $3,000 now and getting $3,000 under the proposal six months ago.

I shall be glad to point out the differences to the hon. member as he seems to be incapable of seeing them for himself. First, the advances are available to every farmer who has grain stored on his farm, and not only to those whom a banker, who in many cases did not know the farmers or anything about them, considered were good credit risks.

Second, the advances are available at the farmer's close-by delivery point and with a minimum of time lost in securing them and a minimum of red tape required.

Third, the farmer will not pay interest on the cash advance he receives. This was the feature of the loan act to which western grain producers took the most violent objection last year and in preceding years.

Fourth, the number of farmers who were able to secure loans, or who did in fact secure them under the Liberals' loan act was quite small. I should just like to give some figures to indicate how small the numbers were.

In the crop year period 1955-56 in which these loans were available, during the period from November 15, 1955 to May 31, 1956, 10,326 loans were made and the total amount of cash put out was $7,893,830.32. The average amount of these loans in that period was $764.46. People were complaining—the hon. member for Rosthern and others—and they criticized this legislation because the maximum that a farmer could get was $3,000 and they tried to point out that the loan legislation was better in this regard. In the next crop year period from November 1, 1956 to May 31, 1957, only 6,117 loans were made under the interim financing act for a total of $3,957,979.94 and the average amount of those loans was only $647.04.

In contrast to this record, Mr. Speaker, it is estimated that very wide use will be made of the cash advances. There are 230,854 permit holders in western Canada; the majority will probably take advances. We believe that about $100 million will be put out to farmers by this means, and that the figure may run up to $150 million. I should like to point out the extremely beneficial effect of this, not only to the farmers receiving the advances but to the whole economy of Canada. This large sum, which would not otherwise be circulating, will have great benefits for the small businessmen in the towns of the west to begin with, then for the wholesalers and their employees in the west and in the east and all over the country, for the workers in manufacturing plants of all kinds, and for the transportation industry. In other words, in addition to helping to pull the western farmer out of an impossible situation, it is one more step this government is taking to deal with the legacy of unemployment left us by the Liberals.

At this point, Mr. Speaker, I should like to say something about certain newspaper reports and comments I have seen to the effect that this cash advance scheme will impose heavy burdens on the treasury and the general taxpayer. This is not the case. The cost of this scheme to the treasury will not be high, particularly in relation to the benefits which will accrue to the whole economy from it. If the amount put out is $100 million, the interest the government will pay on the money borrowed by the wheat board for the purpose we estimate will not be more than $2¼ million, because we believe that the average time an advance will be outstanding will not be more than six months. If it is less than six months, the interest cost will be reduced, of course. On the other hand, if advances reach the level of $150 million, the interest cost would be something about $3¼ million to $3½ million. As to the losses which have been spoken of, we believe that the great majority of western farmers are honest and thus we estimate that ultimate losses will be very small indeed.

The hon. member for Rosthern and, I believe, some others stated that this legislation provides less for the small farmer than did the loan act.

The very reverse is the case. Under the loan act most small farmers could not get loans at all. Contrary to general belief most

western farmers are comparatively small farmers. I have here a compilation which shows the situation in this regard at a glance and I would just like to read a few figures from it and then, with the permission of the house, I should like to have the whole thing printed in *Hansard* because it will give hon. members a very good idea of the size of western Canadian farms, and of the distribution of acreage on those farms as between wheat, oats and barley.

In looking at this compilation I see the farms having a specified acreage of less than 100 acres, that is to say zero to 99 acres, and these total 31,299.

Mr. Gardiner: Mr. Speaker, may I ask a question of the minister? Does that figure refer to 100 acres of cultivated land?

Mr. Harkness: That is specified acreage. This is a list giving the breakdown of permit holders in western Canada, being the total of 230,854 and of this total there are 31,299 who have from zero to 99 specified acres or acres under cultivation.

There are 63,272 who have between 100 and 199 acres and there are 51,762 who have between 200 and 299 acres under cultivation. In other words, of the total of 230,000 odd permit holders there are about 145,000 with less than 300 specified acres or acres under cultivation and that of course constitutes nearly two-thirds of the total number of farmers in western Canada.

In other words, contrary to the general belief existing in eastern Canada that western farmers are all big farmers, rich farmers and in some cases are reputed to go to California for the winter and that sort of thing, there are in fact very few farmers in this category and most of them are small farmers in this area. As these figures indicate, in fact two-thirds of them or a little less have farms with 300 acres or less cultivated land. Now with the permission of the house I would like to have this whole table incorporated into the record of *Hansard*.

Mr. Argue: I winder if the minister could say how many farms are in excess of 1,000 acres; in other words, how many will not be covered by this legislation?

Mr. Harkness: All farms are covered by this legislation. But in answer to my hon. friend's question with respect to those farms having 1,000 acres and over of cultivated land, there are 3,603 farms having 1,000 to 1,999 specified acres and the figures come down in groups of 1,000 acres at a time. The figures are 213, 66, 24, 17, 5 and 2. In other words there are two farms having between 7,000 acres and 7,999 acres.

[Mr. Harkness.]

Mr. Speaker: The minister has suggested that the list to which he has referred should be printed in *Hansard*. Is it agreed that the list be part of the printed record in *Hansard*?

Some hon. Members: Agreed.

Specified Acreage Groupings	Number of Permit Holders	Average Specified Acreage	Average Acreages Wheat	Oats	Barley
0- 99	31,299	64	16	18	15
100- 199	63,272	143	39	31	29
200- 299	51,762	246	77	44	40
300- 399	31,206	340	117	50	45
400- 499	20,672	442	167	54	51
500- 599	12,160	544	215	59	51
600- 699	7,514	639	261	59	59
700- 799	4,634	743	308	62	67
800- 899	2,658	842	348	69	70
900- 999	1,747	942	396	70	68
1000-1999	3,603	1248	527	81	95
2000-2999	213	2362	971	169	169
3000-3999	66	3394	1197	364	227
4000-4999	24	4500	1542	500	417
5000-5999	17	5529	2000	353	353
6000-6999	5	6200	2600	400	400
7000-7999	2	7000	3000	500	500
	230,854				

Mr. Harkness: This legislation was specifically designed to give the small farmer a break and this was accomplished by leaving the unit quota out of consideration as far as the amount of advance is concerned. How the thing will work out can best be illustrated by a few examples.

Let us take the case of the farmer who has only 50 cultivated acres. The total wheat he will be able to deliver on a six-bushel quota is 300 bushels plus of course his initial unit quota of 300 bushels. In other words, 600 bushels is all that there seems to be much prospect or expectation that he will be able to deliver during this crop year. If his wheat is No. 1 Northern and his elevator initial price is about $1.23½—which is about the average in the west—the cash he could receive for the crop year if he were able to deliver this total amount would be $740. Under this scheme he will receive his $370 for his unit quota and he can get a cash advance of $150. That is, the total cash which he will be able to receive right from the beginning of his crop year, or close to it, is $520, which is 70.27 per cent of the cash he can get in the whole crop year; in other words nearly three-quarters of what he can get in the whole crop year if he were able to deliver his full six-bushel quota. Another way of putting it is that he receives 86.78 cents on every bushel that he will be able to deliver during the crop year.

An hon. Member: Per cent.

Mr. Harkness: No, cents.

Mr. Gardiner: If it is all No. 1 wheat.

Mr. Harkness: Yes. Now when you work it out you find that the relative amount which a farmer is able to get decreases as the size of his farm increases. In other words, the smaller a man's farm the greater advantage he gets from the scheme, relatively speaking. Now in the case of a man with 100 specified acres, he would have the possibility of taking in a total during the year on a six-bushel quota, plus his unit quota of course, of $1,110. Under this scheme he will get his unit quota of $370 and of course the cash advance of $300, for a total of $670. The same figures for a man with 200 specified acres would be $1,852. Cash advance plus unit quota is $970. The percentages, of course, of what he receives in cash go down, so that the man with 50 acres or a percentage of 70.27 compares with the man with 1,000 acres or a percentage of 43.31.

I hope, Mr. Speaker, that that effectively disposes of any idea anyone may have—particularly the contention of the member for Rosthern (Mr. Tucker)—that this scheme is of no value to the small farmer. I believe it is of particular value to the small farmers and I am quite sure that in the thousands and thousands they will find it an absolute lifesaver this year. It will provide them in fact with cash with which to get through the winter. I fear I have perhaps gone into too much detail as these matters can be more properly dealt with in committee of the whole. I have spoken on the subject to some extent so that the picture may be clear to the hon. members. I will close at this point but would like to assure all hon. members that if they wish to secure further information on any of the details of this bill I will be delighted to go into those at the committee of the whole stage.

Mr. Argue: I wonder, Mr. Speaker, if I could ask a question of the hon. minister with respect to his general comment on the wheat situation. Could he state at what time a payment might be made out of the 1956-1957 wheat pool? The reason I asked that question is that I have asked the Minister of Trade and Commerce for the information, and I took it from his remarks that he would perhaps be commenting on it in his general statement.

Mr. Harkness: Mr. Speaker, I have not the material figures available here which would enable me to answer that question now. I think the hon. member realized that might be the case. The Minister of Trade and Commerce (Mr. Churchill) did give something in the nature of an undertaking to deal with the general wheat situation on the resolution stage. At page 352 of *Hansard* of October 24, he said:

> At the second reading stage of the bill I will discuss our sales program as well as other aspects of our wheat economy.

The Minister of Trade and Commerce will be very happy to do that at a future time, and there will be opportunity for him to place that information before the house.

Mr. Stefura: Mr. Speaker, did I understand the minister to say that a farmer farming 300 acres of land will get the amount of his initial quota plus $1,800?

Mr. Harkness: Nine hundred dollars.

Right Hon. J. G. Gardiner (Melville): Mr. Speaker, there are a few things I would like to say before we go on to discuss the principles of the bill—the first is that while I am sorry the Minister of Trade and Commerce (Mr. Churchill) is not able to be here to introduce this measure or to move its second reading I am quite pleased that the task has been undertaken by the Minister of Agriculture (Mr. Harkness). The question has been under discussion for a long time in this house as to where responsibility for matters having to do with the marketing of wheat ought to lie, and it is interesting to sit here this afternoon and hear the Minister of Agriculture dealing with questions that are concerned with this subject.

Then, again, I was interested in the statement he made to the effect that the legislation which I mentioned at the resolution stage—legislation which is already on the statute books—will not be repealed; in other words, the opportunity for farmers to obtain money under the farm loan legislation, as it is generally called, is still to remain. Then, too, I was pleased that at the end of his remarks he placed some figures on record in *Hansard*. As he stated to the house, the proper time to discuss those figures will be during the committee stage, but if we did not have them at this stage we should, of course, not have them available when we are in committee, and thus we would not be in a position to discuss them.

One part of the last submission of statistics placed before the house which interested me considerably was the set of figures which prove, apparently to the satisfaction of all members on the other side of the house, that the farms in western Canada are not as big as we sometimes hear people saying they are. We have been accustomed to hearing a great many arguments based on the idea that our farms are growing bigger and bigger, and that eventually the numbers of the farm population will be greatly decreased on that

account. But the figures contained in the table which was submitted to the house a few moments ago must remove very satisfactorily as far as I am concerned any doubts that may have been in the minds of hon. members with regard to that matter, and I am sure it will be very helpful in making decisions as to what should be done to have that evidence fairly established in our minds when we are discussing farm problems in the house.

In the latter part of his remarks the minister took occasion to address some advice to the hon. member for Rosthern (Mr. Tucker) who is not in the house today and who probably will not be here during this discussion. I think, therefore, that I should make a few remarks with regard to what was said.

This legislation was discussed at some length at the resolution stage, but I think I am correct in saying that apart from the minister himself the only hon. member who attempted to analyse the meaning of the bill in so far as assistance to farmers is concerned, and to compare it with other legislation which we have passed, was the hon. member for Rosthern. I not only listened to his speech with a great deal of interest, but I have read it over very carefully since, and I must say that the facts as he stated them and as he supported them with statistics and with quotations are very close to the facts as they exist in connection with the farmers' position in the western part of Canada, that is in the prairie section of Canada.

Mr. Harkness: His whole effort was an attempt to show that the loan system of last year was the same as cash advances. It is completely different, and the number of loans made shows it.

Mr. Gardiner: Mr. Speaker, I shall try to show that the loan system of last year was as good as cash advances as provided under Bill No. 14.

What does Bill No. 14 propose to do? It proposes to make available cash payments to a limited number of farmers in the prairie provinces; not to the whole 231,000 of them, but only to a limited number. And, further, it proposes that those cash payments should be made in limited amounts. It proposes, too, that they be made on a limited part of the farmer's production in the 1957-58 crop year and succeeding current crop years. This, in principle, is the same as the provisions in the grain producers interim finance act of 1956. That act put on limits similar to those which are put on by this act now under discussion, and I hope to be able to show that they are not likely to be greater than those under this act.

[Mr. Gardiner.]

The limitations under the bank loans act of 1956 were: the loan could amount to one-half the value of the grain stored on the farm, less the return of any grain delivered in the current crop year; and the loan was limited to $3,000. In Bill No. 14 the limitations are: the amount is limited to fifty cents on wheat, 20 cents on oats and 35 cents on barley, multiplied by the quota of 6 bushels per acre, less the cash received on all but the unit quota in the current crop year. The advance is again limited to a maximum of $3,000.

Now there is one sole difference in the matter of limitation, and that was emphasized by the minister when he was speaking a few minutes ago. The first 300 bushels, that is the initial unit, is not affected by the limitation which is imposed with regard to what a farmer can obtain. But both plans limit the number of persons to be assisted, confining it to farmers having grain stored on their farms. But Bill No. 14 limits the number further to those with a current year's crop, and limits it by that quota. Then, secondly, they both limit the cash obtainable: in the case of bank loans to one-half of all grain stored on a farm with a maximum of $3,000, and in the case of Bill No. 14 to less than half the value of the grain under the 6-bushel quota in the current year with a maximum of $3,000.

I wish to say a few words concerning the statement made toward the end of the minister's address to the effect that certain payments could be made under this bill. In the first place he stated that he took No. 1 wheat as the basis upon which to do his computing of the amount. Just before I entered the chamber today I received a statement from the Department of Trade and Commerce with regard to the percentages of wheat delivered in western Canada according to grade. I am sorry I did not bring the information with me because it demonstrates that in recent years and particularly during the past year a very small percentage of the grain which has gone into elevators has been No. 1 or No. 2, that the greater proportion has been No. 3 or No. 4. It also indicates that the cash which actually does get into the hands of the farmer will be down by 11 cents, I think, if he happens to have No. 3 wheat instead of No. 1, and the amount of cash that gets into his hands will be considerably less than that if he has No. 4 wheat. As you go down the scale it becomes less and less.

When I first read the figures given—50 cents for wheat, 20 cents for oats, 35 cents for barley—I was inclined to jump to the conclusion that this was, after all, considerably below half the price if one considered the price of No. 1 wheat but I am not so

sure that my hon. friend might not be correct or nearly so when he suggests that it might be more than half the value of the grain that is obtained under those prices.

Mr. Harkness: I did not suggest that.

Mr. Gardiner: It is the case in any event, or so I judge from the wording of the legislation.

Mr. Harkness: We think the 50-cent price is about an average.

Mr. Gardiner: Yes, an average from No. 6 up.

Mr. Harkness: Yes, applying to all grades.

Mr. Gardiner: For that reason it might not be correct for some years to say that the amount would be less than half. Of course in the other measure it was provided that it could be half. The effect of this is that the number of farmers to whom cash is available could be less and the amount of cash available to each farmer will most likely be less under Bill No. 14 than under the other bill.

The provisions for the disposal of cash received for grain delivered are much the same under the two plans; that is, half the cash paid for the grain that is delivered to the elevator goes to the farmer—that is while he is making his payments back on the advance—and the other half goes to the wheat board until the advance is accounted for. We are told that the farmer pays no interest and we were informed today that the interest charged to the wheat board will be 4¼ per cent. This means that the interest paid on the money advanced to farmers individually or collectively will be set at 4¼ per cent. This will be paid out of the treasury of Canada to the wheat board to make up for the fact that they are advancing the money without interest.

When a farmer makes a loan from the bank under the existing act he is protected under the law against other debts and I cannot find such protection in Bill No. 14. Something was said this afternoon that was not mentioned at the time the resolution was introduced. When I spoke on that occasion I called attention to the fact that a certain proposal had been made last spring to the outgoing government by one of the biggest handlers of wheat in western Canada, the Saskatchewan wheat pool. I searched this bill from beginning to end and could not find any provision in it for the grain companies including the pools being responsible for any part of the losses, but the minister said this afternoon they were taking responsibility for 10 per cent. That was the information I had when I was speaking the other day. The proposal made last spring to the outgoing government had been fully discussed in the Department of Trade and Commerce and the Department of Agriculture and had the government that was in office at that time been in office now there is a possibility that the same proposal would have been repeated with not only the Saskatchewan wheat pool consenting to it but all other elements of the trade consenting as well. We were told this afternoon that this is the case and they are all agreed.

I would simply suggest to the minister who is piloting this bill through the house that I found it impossible to find a covering provision in the legislation before us. But as we all know amendments can be made in committee. Perhaps it is the intention to cover it by amendment but I do want to call attention to the fact that I could find no such provision in the bill as it is now printed.

There is another comment I wish to make in this same connection. In presenting this resolution on October 24 the minister stated the procedure to be followed under the plan proposed in the bill and mentioned the safeguards provided in it. On page 352 of *Hansard* for that date he is reported as saying:

> The safeguards of the scheme are clear and definite.

I presume these are the safeguards to the taxpayer for the funds which he provides in order to make it possible to proceed with the plan. The minister continued:

> The chief one is the permit book—

The minister then mentioned the second safeguard:

> Responsibility for making the advance will rest with the elevator agent, and the agent must be reasonably sure that the farmer seeking the advance has on his farm the grain that must subsequently be delivered.

The third is as follows:

> In the third place, the farmer will be required to sign an affidavit in respect of the quantity of grain available with respect to which he is seeking an advance.

I have no criticism to make of those safeguards being there but I do suggest they are not very definitely set out in the legislation. I am certain that members of the government when considering this matter had some doubts about what the effect of that might be.

It is said that the companies have given an undertaking that they will co-operate. I must say that in our experience over the years in which I was minister in the Department of Agriculture they always did co-operate. They might have had different opinions prior to the passing of the law but

once it was passed we received their full co-operation in the carrying out of the plan involved.

It is indicated that there will not be any competition at the local points in making loans. I am sure my hon. friend understands human nature sufficiently well to realize that he cannot maintain that position.

The elevator operators who are buying grain at points in western Canada, particularly during times when space is available, —perhaps not so much when space is not readily available—are, of course, interested in getting grain.

It should be said at this time that an elevator owner has no other way to make money. He does not speculate in grain any more; he does not buy grain at so much a bushel and sell it at so much more and make money that way. What he does is store grain and handle it, and all he gets for it are the handling charges at so much a bushel. That is the only way he can make earnings for his shareholders, or for the farmers who belong to the pool, if it happens to be the pool because, make no mistake about it, the farmers of western Canada watch the operations of the wheat pools just as closely as shareholders watch the operations of the joint stock companies. They are proud of them only when they make a return that indicates that they have not lost money. Therefore, the wheat pools are just as anxious about the charges as anyone else when they meet in those gatherings, which are composed of all the people who own and operate elevators.

When they meet in those gatherings there is an agreement between the line trade and the wheat pools as to what the charges per bushel are to be. And it is those charges per bushel that make it possible for the companies, pools or otherwise, to pay their carrying charges and have something in addition to account for to their shareholders, or to the members of their co-operative, as the case may be, and therefore, of course, there is going to be competition.

In our towns and villages there are a number of elevators. Of course, an agent in one elevator will do the best he can, and I do not think that is a bad thing for the farmers. There will be competition and that competition on the part of each will be to get the man's wheat. The best way for him to get the man's wheat is to make those advances as easily available to him as possible. When he gets started in that way he will be able to carry on right through the season and get whatever grain the man has. I am using the term "wheat" here all the way through. I should be using the term "grain" really because it applies to oats and barley as well as to wheat. I just wanted to emphasize the fact that the grain dealer, the grain buyer, has certain responsibilities. He has a responsibility to his company to get the grain; he has a responsibility to himself and to his company not to lose money in getting it, and he is going to be a little careful about the loans that he makes.

I only recite that in order to show that there is going to be the same reason in connection with this bill for the advance to be held perhaps to a lower level, as there was in the other bill; for the banker to take care that not too much money is lost in connection with it. But what I really want to call attention to in connection with this part of the bill is that the farmers who are going to come for cash under these advances are going to be limited by something else.

This bill says that the man has his advance in the form of a cash ticket. Every farmer in western Canada knows what that means. There are very few elevators in western Canada that pay out money at any time. The elevator companies, even including the pools, are very careful about the responsibility they place on agents and they are very careful, too, about the manner in which the business is carried on. I venture to say that there is not a town or a village in western Canada where there is a bank where these cash tickets are not payable in the bank and in most places where there is not a bank there is a businessman, a merchant or some other person who has responsibilities to a bank who handles that money for the elevator company or the pool and passes it out to the farmer. One should consider that point.

Let me return to some of the criticisms that used to be made from this side of the house by those who are government members now and by our friends of the C.C.F. and of the Social Credit parties, that the banker was the last man the farmer wanted to go to. Partly because of the discussions that took place at that time but mostly because of the representations made to us by the farmers we made absolutely certain that no one had any claim on this money except the farmer. If the bank attempted to give anyone else any claim that bank did not have a guarantee at all from the government. Therefore all the money that was lent out under that plan was lent out with the absolute guarantee to the farmer that every dollar of the loan was to be handed to him. The bank could not apply it on any other indebtedness that there was to the bank with respect to the farmers' activities. That is not so in this instance.

We were told a few moments ago of one case in particular. Every farmer in western

Canada knows that under provincial law, not under federal law, there is posted in every elevator the unpaid taxes of the farmers who deliver grain to that elevator. When a load of grain is hauled in to the elevator the first thing that is taken out of the proceeds of that grain is the man's taxes, and they are paid. That was the situation when the farm loan bill was put through this house in 1956.

It was stated the other day by the hon. member for Humboldt-Melfort (Mr. Bryson) when he addressed this house that all of these things, and a great many other things, were still in the bill. They have not been in the bill since the first week it was brought into existence back in 1956. In order to have these things taken out a meeting was called in the city of Winnipeg of those who were interested. All these provisions were taken out of the administration of the act, and they could not take the taxes out of the man's small amount. I venture to say that out of the number of small farmers who were listed in the report that has been put on *Hansard* today a great many of them are men who owe a considerable part of what the advances will amount to in municipal taxes. Under the old legislation we maintained that since the farmer was going to get back 50 per cent of the value of the wheat that he took to the elevators, or the value of the grain he took to the elevators, over the entire period the loan was outstanding, half of that money was to be paid to the farmer, believing that the farmers in western Canada are honest, as the minister says, and believing that as they got the money they would go and pay their taxes, and not have it taken out of the amount of money that was advanced by loan then or that which will be advanced now in the form of a ticket. But when you advance it in the form of a ticket the farmer must take that ticket over to the bank and have it cashed. So far as I can find out there is nothing in this bill that makes it impossible for the banker, in these circumstances, to apply that to any account he may have in the bank against the farmer. Some of my friends object. Let them try it and see where they will get.

Mr. Argue: There are credit unions.

Mr. Gardiner: The credit unions are not all over the place. I venture to say that the credit unions are a little careful about lending money to some people. The fact of the matter is, Mr. Speaker, that there are places all the way through this legislation which do not encourage the making of more loans or greater sums of money available to the farmers—

Mr. Harkness: There are no loans in this scheme.

Mr. Gardiner: The minister does not call them loans but everybody else will think they are, in spite of what the minister says. When a man gets some money he has got to pay back, it is a loan.

An hon. Member: With no interest.

Mr. Gardiner: My friend says "with no interest". There is no interest on it until it becomes overdue but if it becomes overdue then it is 6 per cent, and no legislation that we ever put through had a rate of 6 per cent.

Mr. Cardiff: Who said anything about 6 per cent?

Mr. Gardiner: A lot of farmers in western Canada are not able to meet their accounts on the day that they are due. This legislation says that ten days after they are notified it is in default, if under other circumstances they are not notified it is in default on the 15th of the following September; that under other circumstances it is finally all in default on the 31st of December in that particular year. So after any one of those periods go by the farmer concerned pays 6 per cent.

Mr. Harkness: After you have read that far you should read the next section of the bill.

Mr. Gardiner: I read all the sections of the bill; I have read them several times.

Mr. Harkness: Then you did not understand the next section.

Mr. Gardiner: The fact is I do understand them or I would not be able to get up here and talk about them without reading them to you.

Mr. Harkness: You had better read this one again.

Mr. Gardiner: The matter is in that position, and again I repeat there is a possibility that there will not be as many people obtain loans under this measure as under the other one. There is a possibility that the amount of money obtained will not be as great, not because of anything that this government does, not because of anything that the elevator company does, not because of anything that the bank may necessarily do but because the farmers of western Canada are fairly careful businessmen, themselves. When a man knows he owes the bank $1,000 or $3,000 and can go and get an advance of a certain amount and then has to take the cheque to the bank in order to cash it, he knows he is going to be asked for some of that money and there will probably be considerable pressure put on him to pay what he owes the bank. Therefore when my hon. friend says that all 231,000 of these farmers

who are eligible are going to come along and get money and that the total may be $100 million or $150 million—

Mr. Harkness: I did not say that.

Mr. Gardiner: Well, you pretty nearly said that. If what you did say meant anything it meant that and if it did not mean that it did not mean anything.

Mr. Harkness: I said a large proportion of them.

Mr. Gardiner: I am simply suggesting that the amount could be lower and in taking that position I am simply following an example that was set by my hon. friends when they were on this side of the house. It did not make any difference what we told them the farmers would do. They went on saying that we would find that the amount would not be that high. I am trying to tell you now that it will not be as high as you think it is going to be.

That is another reason why I am very pleased that you are leaving the other measure on the statute books because by the time we get through another year we will know which of us is right. If my hon. friends took the bank loan bill off the statute books and tried to prove that what they said while they were in opposition was correct, that it was no good to the farmer, then we would still be arguing about it a year hence. Since they are going to leave it on the statute books it is not going to be necessary for me to say very much more about it at this time. We will have it all before us when we come before the house next year.

An hon. Member: Where will you be then?

Mr. Gardiner: Some of my hon. friends probably think there will not be a next year before another election and that may be the chief reason why they are talking the way they are now. We could have an election before we can prove this one way or the other. But do not make any mistake about it. The farmers of western Canada will be able to size up the situation for everything that it is worth within the next two, three, four, five or six months if it becomes necessary for them to make a decision during that period of time.

An hon. Member: And they will vote for this program.

Mr. Gardiner: Of course I know my hon. friends will help them to reach a decision, and I can assure them that my friends of the C.C.F. back in the corner here and my Social Credit friends over there and those in this group will also help to do the same thing.

Mr. Harkness: You mean you will help to confuse the issue.

[Mr. Gardiner.]

Mr. Gardiner: No, we will not help to confuse the issue. We will try to prevent the government from confusing the issue to the extent that they have in recent years and recent months.

An hon. Member: Are you going to vote against it?

Mr. Gardiner: My friend says, "Are you going to vote against it"? I am going to say the same thing as was said on a previous occasion and I brought the passage with me so that I could be sure just what it was. The Minister of Finance (Mr. Fleming) spoke on the Prairie Grain Producers Interim Financing bill on February 15, 1956. After making a speech in which he was very strongly opposed to the measure and indicating what he called all its weaknesses—that is what I am doing now—someone asked him what he was going to do and I have brought along what he said because it expresses so well what I am going to do that I wish to read his words to you and not use my own.

An hon. Member: Plagiarism.

Mr. Gardiner: As found at page 1213 of *Hansard* of February 15, 1956, he said:

> We of the official opposition desire to express our indignation at the utter inadequacy of this measure to meet the need.

I do not need to repeat that I think the same thing about the present measure.

> At the same time we have no wish, in the face of the patent inadequacy of the government's program, to deny to the necessitous wheat farmers of western Canada even the paltry crust which this measure offers to 8,000 of them.

I do not know of any better way of telling you that I am going to do the same thing. I am going to admit that the bill might bring some help to the farmers. I am going to go further than that and say that it will give us an opportunity to be able to argue the point with the facts behind us as to which of these measures will bring the most money to the farmers. In addition, Mr. Speaker, it lays before us the fact that this legislation, just like the legislation we were discussing a year ago and two years ago, is not intended to cure all the farmers' ills. But you would think to hear some members of the house speaking, particularly those in the corner on this side the C.C.F'ers and those across the way, the Social Crediters, that they brought so much pressure to bear upon the house through what they said last session that the measure now before us was going to cure most of the difficulties they had in their minds when they were discussing it.

An hon. Member: No.

An hon. Member: Nobody said that.

Mr. Gardiner: I am glad you say that it will not because the reason I am going to vote for this measure is the same reason that you are going to be voting for it. You are going to be voting for it and I say to you when you get out west, "Do not misrepresent that." The reason you are going to vote for it is exactly the same reason I am going to vote for it. The reason is that it does at least intend to pay something to the farmer and, that being the case, I of course am going to support the bill.

Mr. Harkness: Is not the main reason that you are afraid to vote against it?

Mr. Gardiner: I am not afraid to vote against anything and never have been, but I have been at this long enough to know that there are times when people are too anxious to have you vote against something. I listened the other night to a member from one of the Winnipeg constituencies talk out a certain bill in this house, and he did it just as well as we have done on some occasions. Apparently he had a reason. The bill had to do with putting flax and rye under the wheat board. Not only did he do a good job, but just as soon as he started to do it the minister walked out of the house, and he represents another seat in Winnipeg. I had thought that in discussing these matters we might discuss them without raising such issues as what are you going to do about it. After all, you are going to do what you think will move the people of certain sections of Canada to support you. We have done the same thing in the past and I have no doubt we will in the future, so there should be no excuses about it. But on this occasion I am voting for this particular measure.

In presenting the resolution the minister stated that responsibility for making the advance will rest with the elevator agent. As I said earlier, I could not find that provision in the act but now I am told that it is the intention of the policy. I have gone on to cover what I think will be the result of that kind of thing.

Some criticism has been made of what the hon. member for Rosthern said the other day, and I must confess that I am inclined to call attention to one thing that he said. This legislation which my hon. friends in the corner and on the other side of the house at the far end have been claiming credit for having placed before this house on quite a number of occasions is not the legislation which they placed before this house on quite a number of occasions. They discussed something which is quite different from this. The hon. member for Rosthern the other day called attention to what the Prime Minister (Mr. Diefenbaker), when he was in opposition and was conducting an election campaign, had said. The hon. member for Rosthern on Thursday last, as reported at page 364 of *Hansard,* stated that the present Prime Minister, on March 14 last, said:

> We believe that under proper circumstances there should be provision for cash advances on farm-stored grain similar to the system in effect in the United States.

That is not this bill; that is the legislation which was promoted in this house by the members of the C.C.F. party and by the members of the Social Credit party over a long period of years; and up to a comparatively short time ago—I have forgotten whether it was last fall or the fall before—the C.C.F. sent a delegation of four of their membership in this house down to the United States to check on it. The leader of the C.C.F. shakes his head. If he turns around and looks at the members behind him, he will see the four who went.

Mr. Coldwell: They went on their own.

Mr. Gardiner: He says that they went on their own. When four men who belong to one political party go down to another country, they may go on their own—

Mr. Coldwell: They were not sent.

Mr. Gardiner: They certainly went and when they came back they did not know what to report. When they were down there in the United States they found that there was not the kind of support behind that program which they had expected to find. Hence they changed a little. But they did not change far enough to have this measure satisfy all the claims that they have been making to the farmers out in western Canada. I would ask you, Mr. Speaker, and through you, the house, this question: What does Mr. Benson say about their price support program when discussing wheat in his book entitled "Farmers at the Crossroads"? Mr. Benson, Secretary of Agriculture in the United States, said this:

> Here are some interesting figures on major wheat loans on 1953 crops. In Kansas the largest wheat loan was $139,237. The second largest was $125,198. But what was the average loan? It was $1,525. In Minnesota the largest wheat loan was $49,450 and the second largest $47,768. The average was $1,194.

Then he goes on to say this:

> Is this a program to preserve the family sized farm?

These 235,000 farmers that are listed in *Hansard* this afternoon.

> Is this the kind of a program the champions of the family sized farm want? Do they want a program that channels most of the benefits to the large producers and works almost as a government subsidy to big operators to buy out small producers?

I ask that question of my friends over in the corner because I am sure they are not going to be satisfied with the $3,000 limit under this legislation any more than they were satisfied with it under the other legislation. I am sure they are going to be attacking the legislation on that basis. This is the place in which to attack it if they are going to attack it and attack it in much the same terms as in the other case. But Mr. Benson goes on to say this further when he is summing up his remarks with regard to wheat:

The people who grow wheat—

He addresses them in that way.

—was it price support or was it mechanization, better seed and improved farming practices which brought a new day to the great wheat producing areas?

Those who have been discussing this measure have been dwelling upon the lack of cash in the hands of the farmer prior to June 10. May I say that the situation has not improved since June 10 and that this measure does not promise to help very much. The fact is that had it not been for the long-time policies of the previous government the farmers would not have survived the mechanization of their farms. I want to say that unless that legislation is kept on the statute books and functions effectively in the future the farmers will be facing that kind of bankruptcy which the leader of the government was so anxious to forecast in previous years.

What did the outgoing government do? In the first place, in 1944 they put in a system of price support to stabilize prices and it has stabilized prices. My friends say they are going to stabilize them. Might I ask this question: Are they going to stabilize them at the same level? Stabilization means keeping them the same in relation to other costs in the country. Is that what they are going to do? If they are going to try to do something different, they had better have a good look at what is being done now before they try to figure out something different. If they do so they will probably come to the same conclusion as that to which they have come on quite a number of other matters since they came into office, namely that the Liberal policies were not so bad after all.

Then what was the other matter? We did not wait until the farmers fell into the position into which they would have fallen had they mechanized their farms without any consideration being given to them in advance. In 1945 we brought in the farm improvement act. What did that act provide? It provided that a farmer could go to a bank and under a government guarantee borrow money to change over from horse-drawn equipment to tractor-drawn equipment. How much did he borrow? The farmers across this country borrowed $653 million. From 1945 to 1956 that is the amount of money that was lent in order to help the farmers change over from one type of equipment to the other.

There have been arguments in this house from time to time as to what the farmers cash income has been; I refer not to his net income but his cash income. When we have said that it has been higher in the last five years than it had ever been in any other five-year period, people on the opposite side of the house have scoffed at the idea. But the fact is that it was higher. What proves it? This fact proves it. Of that $653 million borrowed in that time the farmers have actually paid back—that is the farmers who borrowed it—99.95 per cent of it. How could they have paid it back if they had not obtained more cash? How could they have paid it as they went along if they had not been able to take it in out of the cash income?

That is not by any means all of the money that was utilized for that changeover. The farmers who did not need to go to the bank and borrow the money paid for it as they went along under our stabilization plan. It was the support prices of the government which made this possible, along with the fact that they were working overtime, with a shortage of labour. With better methods and equipment they produced 40 per cent more than they had ever produced before in a similar period and sold their product at higher prices, particularly the wheat, than it had ever been sold since the end of the first war. Therefore they took in more cash than they ever took in before. Because they grew more than a 100 million bushels more on the average over the last five years than they had ever grown before.

They sold more in each of these years on an average than they ever sold before and so if they have now 500 or 600 million bushels of wheat in storage then it is made up of the extra 100 million bushels they have grown in each of these years over that period. Now my friends opposite are not giving them a better chance to get some money out of what they have to sell than they had before and this particularly applies to the fellow with less than enough grain to receive $3,000. More was available to the small farmer under the bank act.

I say this kind of legislation is not all the farmer needs in order to supply him with cash. In fact the regulations and legislation that we put on the statute books over the years, from the beginning of the war down to the time we went out, brought him cash, not loans; not advances but actual cash paid into his pockets totalling $1,120 millions. If our friends over there think that they

can in six months put in 1/36th of that figure they will be doing about what we did. If in the year they can put in 1/18th part then they will have done about the same thing and if they are fortunate enough to be in office for 22 years—which they never have been in the past—then of course they will have to at least provide the same amount to match what we have done.

The previous government was not only assisting by allowing farmers to obtain money that they would be required to pay back. We did stabilize their prices; we did support their prices; and we put them in a position to sell on this continent, on this side of the line, everything but grain at higher prices than they could on the other side of the line. In so doing we put the farmers in a position to pay out cash for the mechanization of their farms such as had never been done before.

What is the real position? Well the implement dealers have a paper and in that paper they said a few months back—and this went back to 1933—that it cost the farmer the sum of $8.40 per year in order to maintain the tools, machines and implements on his farm. Now that does not mean that the farmers out in western Canada could do that. They were taking into consideration all farmers in Canada, the man who used a hoe and a rake right up to the man who used a combine, and they said back there, when they were all using horses, that that was the position. What does it say it costs now—$555 per farmer compared with $8.40 in 1933. Of course they have been out of cash.

Looking at the conditions ahead of us the government of the day anticipated the costs of this coming change and I would like to suggest to the present government that, if they are going to remain here long enough to do any of these things, they take a good look at that legislation before they make very many changes in it, instead of going out holding up a proposal of this kind as a solution to the problems of the farmers in the west. All these measures will be required in the future and this one if it adds little will be helpful. However, Mr. Speaker, it will be helpful only in a very small way and because of small mercies I am voting for it. Nevertheless I would warn our friends opposite not to go around the country saying the other government did not do anything; the other government did not help the farmer at all and so on. The farmer will be telling them before they are through that they are on the government side now and when you are on the government side you have a responsibility and when you have a responsibility you are likely to be the fellow who will be blamed. I would suggest that my friends on the government side get all the facts and put them before the house and if they have legislation to bring out which would be helpful, bring it out and let us have a look at it. This one is going to do a little, probably, but not very much but what it does do will be very similar to what was done by the previous Prairie Grain Producers Interim Financing Act.

Mr. W. M. Johnson (Kindersley): Mr. Speaker, I am very pleased to rise in support of Bill No. 14, an act to provide for advance payments for prairies grain prior to delivery thereof. I would like to commend the Minister of Agriculture (Mr. Harkness) for his introductory remarks at the second reading stage of this bill. I think he did it very concisely and gave the house the information relating to the principle of the bill. I feel it is natural that I should be pleased to speak on behalf of this bill as it has been advocated since 1943 by the C.C.F. party both in the house and throughout the country. I am pleased to support this bill also because of the fact that in the constituency of Kindersley we have the most worrisome problem we have ever had so far as congestion is concerned. I believe that in my constituency and the constituency of my leader, the hon. member for Rosetown-Biggar (Mr. Coldwell), plus some of those areas around Regina, we have the largest carry through of wheat in the western provinces.

I am very pleased that at the resolution stage there was almost uniform approval of the principle of the bill. It was rather significant to notice the about-face of the Liberal party which had so vigorously fought against a system of cash advances. This remark is subject to certain exceptions because I noted as the vote was called the hon. members for Charlotte (Mr. Stuart), for Roberval (Mr. Villeneuve) and Quebec-Montmorency (Mr. LaCroix) voted against it. Three members of the Liberal party have not been sufficiently informed of the problems of western Canada to appreciate the principle of the bill.

After listening to the hon. member for Melville for over an hour I am at a complete loss as to where he stands. He fortunately on two occasions mentioned he was going to vote for the bill but I suspect I will have to wait two or three days until the right hon. the Leader of the Opposition (Mr. St. Laurent) clarifies his remarks for the house.

I think the approval which the legislation is receiving should pave the way for the future legislation which the Minister of

Trade and Commerce (Mr. Churchill) in his opening remarks last Thursday indicated was in prospect for agriculture generally.

I think in order that the house might be fully familiar with the facts confronting western farmers it would be advisable to review the conditions which exist in that area and to which the principles of this bill apply. Now anyone in western Canada knows that the problems confronting the western agriculture did not happen overnight. The problem has been building up over the past 10 years, more particularly the last five years. We know that Nero fiddled while Rome burned and in this case the Liberal administration fiddled around while western agriculture got into the difficult position it is in today.

There was a failure of that administration to maintain markets; a failure of that administration to provide leadership for international agencies, through FAO or such organizations as the food bank which we in the C.C.F. have advocated; a failure of that administration to follow the recommendations of farm organizations and to provide for legislation to prevent inflation and the cost-price squeeze.

As the result of this utter neglect over the years we have the present situation which was summed up by Dean J. R. Weir of the Manitoba university, faculty of agriculture, when he said in a recent statement that "The farmer in western Canada is caught in a squeeze between higher costs of production and reduced prices, and the small farmer is being forced to give up".

We find proof of that statement in the submission of the interprovincial farm union council to the Prime Minister of Canada when it noted that according to the census there had been a decline of more than 47,000 farm units in Canada between the census years 1951 and 1956, and that since 1946 the number of farms in Manitoba had dropped by 9.6 per cent, while in Saskatchewan the decline was 17.7 per cent.

This affords us some indication of the difficult problem which faces farmers in western Canada as a result of the cost price squeeze. The hon. member for Assiniboia (Mr. Argue) placed on record the other day information indicating that the cost of production has increased by the phenomenal amount of 46 per cent in the last 10 years. He also pointed out that the price of wheat had declined by 21 per cent. These are the factors that have contributed to the decline in the farm population and given rise to the statement which Dean Weir of the University of Manitoba made. One cause of cost increase has been the tremendous spiral in freight rates. In 1948 the index of freight rates stood at 100. On January 1, 1957, it stood at a colossal 219.8 and those who are from the west realize that the western farmer, the western resident, bears the brunt of this increase. Farm machinery prices have risen 94.2 per cent since 1945; the index of equipment and materials shows an increase of 72.8 per cent; and taxes and interest rates have gone up 55 per cent.

This problem is one which has been most worrisome to individual farmers because every piece of machinery they wish to buy has risen in price beyond their capacity to pay. They have been living on the depreciation of their equipment and have been unable to lay aside a fund of money adequate for the replacement of that equipment.

At the same time as costs have risen to this exorbitant level the price of wheat has fallen. I mentioned that there has been a decline in the last ten years of 21 per cent in wheat prices. Let us consider a more specific year, and compare the price figures on August 4, 1956 with those of August 3, 1957. Hon. members will find that in 1956 No. 1 Northern brought $1.733; by August 3, 1957 that had declined to $1.615, a decrease of 11.6 cents a bushel. The price of No. 2 wheat on August 4, 1956 was $1.703. On August 3, 1957 it stood at $1.575, a decline of 12.6 cents. Now let us look at the lower grades which are in such abundance in many areas; let us take No. 6. Back in August 4, 1956 the price was $1.372; on August 3, 1957 it stood at $1.185, a decrease of almost 19 cents. And these are selling prices at the lakehead, not the prices which the farmers receive for their commodity.

As a result of all this we find that there has been a reduction, between 1952 and 1956 in the net income of farmers in Canada as a whole of 18 per cent. As we enter the western areas we find that in that same period net farm income has declined in Alberta by 26 per cent and in Saskatchewan by 31 per cent. As far as can be discerned at this time net farm income in 1957 will be only one-half of the 1956 figure.

It is apparent, then, that there is great urgency that the principle of this bill should be adopted in order to afford some relief to the farmers in the western areas. We know that the predicament in which the farmers find themselves has resulted from the cost situation, plus very low delivery quotas. One matter which has been of concern to the house in recent weeks has been the phenomenal climb in unemployment figures, and I think hon. members should be aware that if farmers are forced out of business some

of them may well be added to the labour pool. The 47,000 farmers who have been forced out of business as a result of government policies are among those who potentially are contributing to the unemployment picture through no fault of their own.

We know that under present circumstances it is impossible for a young farmer to become established. The only young farmers who can become established are those who are able to take over their fathers' farms, and then only because their fathers through the kindness of their hearts have not charged for the full price of the farms or indeed, in some cases, have not charged any price at all. But to buy a farm through a mortgage company, and pay to equip it adequately with the full scale of mechanization would be quite impossible today on an economic basis. If people were satisfied to use a team of horses, as the former minister of agriculture, the right hon. member for Melville apparently is, they might be able to carry on somewhat cheaper, but we know that mechanization is necessary in order to maximize the return.

Another effect of the present economic situation is the situation of the rural community as a result of the small farm income. Those who are resident in rural communities are dependent on agriculture, and they know it full well. They have risen or fallen with the financial position of the farmers within the community. We find now that the tax picture has become very bad in many areas where delivery quotas have been extremely low; farmers are simply unable to pay taxes because, of necessity, they must reserve whatever funds they have to feed and clothe their families. This, in turn, has been reflected in the very low sales of farm equipment and machinery. In the towns within those areas we have seen many small implement agencies fold up in recent years because they were unable to survive.

The situation has been further complicated by the inequality of the quota position. I recall statements made by the former minister of trade and commerce to the effect that no effort would be made to maintain a uniform quota. At the time that statement was made, members of the C.C.F. party objected most vigorously. We said that a farmer in one area had just as much right to receive some return for his grain as had a farmer in another area. We pleaded with the government to make every effort to maintain a uniform quota. But we find that at the end of 1956 there were 103 points which ended the crop year with a 5-bushel quota, 320 which had a 6-bushel quota, and 306 which had an 8-bushel quota, while three stations were closed.

Grain

In 1957 there was an effort to maintain a uniform quota and 431 delivery points ended up with a five-bushel quota and 666 with a six-bushel quota with five stations being closed. I hope it is understood by all hon. members that merely because a marketing point is given a quota this does not mean that all farmers in that area have marketed the full amount of their quota. It is conceivable that a quota would be given to a marketing point in the last two weeks of the crop year and farmers in outlying areas or those who did not have adequate transportation would not have the opportunity of delivering their grain before the space became congested.

These inequalities in the quotas have resulted to a large degree from the failure of the Liberal government to maintain a transport controller, someone who is charged with the responsibility of seeing that railway box cars were in position to meet the demand and that they were not sent to points that did not require them. It has also been as a result of the system of allowing milling companies to skim off all the high protein wheat. I have found that the practice in the past has been to allow mills to take their wheat from whichever elevator had wheat of the highest protein content. The net result of this, of course, has been to leave the wheat of low protein content to the export trade. This is a matter which deserves investigation.

Bill No. 14 will certainly help to resolve this problem of unequal quotas because if a farmer is in a position to receive some money for the grain he has grown but is unable to sell, it is not as vitally important that the delivery quotas be maintained at the same level. In the same breath, however, I would point out that every effort must be made to maintain a uniform quota. At the same time it is apparent that if through some slip or other the quotas are not maintained at exactly the same level the same degree of hardship will not accrue to the farmers.

The proposal indicated in Bill No. 14, as the Minister of Agriculture pointed out, will supply money to the farmer now rather than his having to wait until the quota becomes available. In the opinion of the western Canada farm organizations and in the opinion of farmers I have talked to this represents a tremendous improvement over the bank loans legislation which was devised by the previous administration. Hon. members who were here at that time will doubtless recall the battle which the farm organizations put up and which we in this group voiced in the house in opposition to the farmer paying interest on what were in fact his own wages. I believe it

is immaterial whether the bank loan legislation is left on the statute books, which matter seemed to be the major plank in the address of the hon. member for Melville (Mr. Gardiner), because if it is left operative no one will use it in any case since they will now have the opportunity as a right to receive a cash advance on their grain.

Bill No. 14 will provide temporary relief for those who are unable to deliver their grain which will give them an opportunity to restore their credit. In all fairness to the legislation I think we cannot build up our hopes too high in terms of thinking of it as cure-all legislation. After all, it is a temporary palliative and it is like a person taking an aspirin tablet when he has influenza; it will make him feel a little better for the moment but will not cure the malady from which he is suffering. The system of cash advances will certainly not correct the cost-price squeeze in which the farmer finds himself but it is welcome as a temporary relief for those who cannot realize any money whatever from their grain.

I was pleased that the Minister of Agriculture made reference to the erroneous news reports which had been distributed through eastern Canada indicating that the cost of this proposal would be the outlandish figure of $100 million to $150 million. In fact on the C.B.C. television news on Thursday I personally heard the newscaster report that the total cost of the program would be between $100 million and $150 million. I think it is most unfortunate that this erroneous information was disseminated in that manner. As I calculate it the cost of interest charges will be approximately $2½ million and perhaps much less than that. There is a popular misconception which is all too generally held of conditions in western Canada and a similar misconception exists concerning what this government and previous governments have done to assist the farmer in western Canada.

I wonder what will be the position under this proposal of the farmer who has no grain, and indeed there are many in this position. At the end of the crop year there was an indication that 48 per cent of the farmers in western Canada would have no carryover at the end of July and of the 42 per cent that had a carryover 25 per cent had less than 300 bushels. It is apparent that it does not matter what type of cash advance proposal the government is able to introduce it will be of no assistance to the large number of farmers who have no grain and who are confronted with a serious problem.

There are some aspects of the bill on which I would like some information but I know this must wait until we reach the clause by clause discussion of it. However, I might just mention one or two points. I am interested in learning what will be the position at the end of the crop year of the farmer who has taken an advance and is unable to deliver grain to retire the advance. Another aspect that aroused my curiosity as I read the bill was the priority given in it to the bank loans legislation. If I understand it correctly it is apparent that it cannot do any particular good to the farmer. Another factor I will want to discuss is the responsibility of the elevator agent in making loans and what his responsibility will be in seeing that the loans are repaid. I am simply mentioning these questions now so the minister will be aware of a possible complaint in these general terms.

I do not wish to take up any more time of the house because I think it is important that this bill be enacted as soon as possible so the benefits under it can be extended to the people of western Canada. I think the bill is good and one that should become permanent legislation. In saying this, however, I should point out that the system of cash advances will not resolve the basic problem of the cost-price squeeze. It does not matter how many cash advance proposals are devised by the government, they will not solve the dilemma of the farmer whose net returns for his products are not great enough to equal the cost of production. This must be resolved through the adoption of an agricultural program that will give to agriculture its fair share of the national income.

It has been advocated that a deficiency payment of 20 cents a bushel could be made to all farmers and that would come close to solving the problem at the moment as far as the western farmer is concerned but we must eventually solve it by finding additional markets for our wheat.

I think the proposal has been well summed up in a statement made by Mr. J. H. Wesson, president of the Saskatchewan wheat pool, and because it is stated so succinctly I wish to place it on the record. Mr. Wesson said:

> The proposal to make cash advances on farm-stored grain will provide some cash income immediately. If the legislation provides for advances through elevator agents, as suggested in newspaper reports, this money will be widely and readily available to farmers. However as the wheat pool has repeatedly emphasized in discussions with the government and members of parliament cash advances do not solve the basic problem of western grain growers.

I think all hon. members should give serious consideration immediately to passing this proposal and that we should then review

agricultural conditions in all of Canada. I am not unmindful of the fact that the farmers in other areas are suffering hardships from this same price-cost squeeze. Perhaps the unique set of circumstances, the benevolent years we have had, have caused the tremendous buildup of grain in western Canada; but we do know when we have a situation which requires a fruit grower of British Columbia to spend three boxes of apples to buy one bushel of wheat and a wheat farmer in Saskatchewan to spend three bushels of wheat to buy one box of apples, something is drastically wrong and that governmental action must be taken at an early date to resolve this basic problem for the benefit of all Canada.

Mr. J. A. Smith (Battle River-Camrose): Mr. Speaker, I am very pleased to be able to take part in this debate on second reading of Bill No. 14, to provide for advance payments for prairie grain prior to delivery thereof.

Before starting my remarks, Mr. Speaker, I should like to compliment the Minister of Agriculture (Mr. Harkness) on the very able way in which he presented this bill this afternoon. I could not help but feel that there had been quite a change in the way bills were presented to members of parliament sitting in opposition groups.

The arguments for cash advances on farm-stored grain have been presented to this house for many years and they have been presented already in the course of this debate and at the resolution stage. Two years ago, and again last year, extensive debate was carried on on a bill called the Prairie Grain Producers' Interim Financing Act. When that bill was up for discussion we in this group opposed it on the ground that we did not feel that that particular bill, or the farm loan wheat bill, as we called it, would give the farmers of western Canada the cash they would need to carry on their operations.

I was very much interested in the remarks of the former minister of agriculture this afternoon. In his remarks the hon. member for Melville (Mr. Gardiner) reminded me very much of his behaviour in previous sessions when he was minister of agriculture and presented the problems of agriculture to the house. It was definitely one of confusion with no information being given. In previous sessions we urged he former minister of trade and commerce to institute a system of cash advances on farm-stored grain which would assure the grain farmers of western Canada a temporary measure of relief from the critical financial position they found themselves in. We still feel that this measure, which is up for second reading today and which is being discussed this afternoon, is nothing more than a temporary measure and it will be only of some immediate assistance to the grain farmers of western Canada.

Regardless of how long we argued with the former minister of trade and commerce he did not see fit to institute a system of cash advances on farm-stored grain. This afternoon the former minister of agriculture did point out that they might have done it this year had they been on the government benches. That situation was very capably handled by the western farmers on June 10 of this year, because the province of Alberta returned only one Liberal member to this house. Therefore, the farmers of Alberta were very definite in their opinion of the agricultural policy, if you can call it a policy, of the former administration.

I am pleased, Mr. Speaker, to see that so many members of the official opposition at the present time see fit to support this legislation in a placid type of way. This change of heart forecasts a much better deal for all those engaged in agriculture, because it is now apparent that the vast majority of the members of this house are prepared to support progressive legislation which will place the farmers of Canada in a better financial position.

My colleague, the hon. member for Acadia (Mr. Quelch), last week placed on record the position of the Social Credit group in the house, with respect to this piece of legislation; and since we feel that there is a degree of urgency associated with the passage of this bill it is not my intention to take up too much of the time of the house this afternoon. However, Mr. Speaker, I wish to point out that we view this legislation as being only a temporary solution, one which will bring a measure of immediate relief to the grain farmers of western Canada and not one which will provide a permanent solution.

Our farm population is steadily decreasing and the average age of those engaged in farming in western Canada is steadily rising. If this situation is permitted to continue we shall quite possibly find ourselves concerned, not with so-called man-made surpluses but with actual shortages of foodstuffs. Young people for very obvious reasons, are not staying on the farms, largely because of the fact that they are all too well acquainted with the uncertainty attached to that type of life. They are not prepared to work from dawn to dark, to gamble with weather and so forth for the meagre returns which their fathers have received in the last few years. Instead of following in their fathers' footsteps they have entered other occupations in which they are assured of a larger measure of security and greater financial returns.

Grain

For years farmers have been faced with ever increasing production costs and a continual decline in the selling price of the goods which they had to sell. Again, Mr. Speaker, I was very much interested in the remarks of the former minister of agriculture this afternoon. He pointed out that the previous administration had spent millions of dollars to aid agriculture. It is true that the previous administration passed the Agricultural Prices Support Act in 1944. However, Mr. Speaker, in the first ten years of its operation it cost the people of Canada 15c. per person per year to support the price of agricultural goods right across Canada, a huge amount of money in the eyes of the former minister of agriculture, but certainly a meagre sum to those who received the benefits of that act.

Farm organizations right across Canada have constantly brought this situation to the attention, not only of the previous administration but of the public at large, with little or no apparent effect until recently. I would say that the passage of this legislation should be looked upon as a major victory for the farm organizations and those so active in presenting their views during the last few years. It is to be hoped that the forecast long-range plan to stabilize the agricultural industry will soon be brought before us for consideration. The need for this particular legislation has been recognized by all parties and by practically every member in this house.

The interprovincial farm union council, in its brief which was presented to the government on August 15 of this year, advanced many strong arguments as to why something must be done to improve the position of those engaged in agriculture. They point out that in the last 18 months agricultural production costs have risen 16.7 per cent, that the retail price of bread has increased 2 cents per pound, that the price of wheat has decreased by 23 cents per bushel; that the interest rates on loans to the Canadian wheat board have increased; that the increase in the value of the Canadian dollar has had an adverse effect upon the farmers of Canada.

We of this group are not prepared to admit that there is an actual surplus of our agricultural products at the present time, including even wheat. I believe the Food and Agriculture Organization of the United Nations pointed out last year that we had in the world at that time only a three months supply of wheat for our wheat consuming population. This amount should not be classed as a surplus. I am sure there is not one farmer in Canada today who would like to think in terms of having only a three months supply of food on hand for his stock. The fault lies partially in the fact that the marketing policies which the previous administration followed were definitely faulty, and instead of being able to get our grain to the hungry people throughout the world the farmers of western Canada were called upon to finance practically the whole burden of this unneeded surplus.

This legislation will provide a measure of relief but we do hope that the new government will adopt trading policies which will enable our producers to sell their goods at a reasonable price. We recognize that all cannot be changed overnight but we suggest to the government that it is not fair to expect the farmers of western Canada to finance any great portion of this surplus. It is for this reason that we of this group have constantly emphasized the need for the establishment of government-owned terminal elevators throughout the west.

The box car situation in the west remains one of confusion. The quota position throughout my area is worse today than it was a year ago. It is all very well for government spokesmen to point out that export sales are up, but to the average farmer that means very little. He still sees his granaries full of wheat. He is still forced to build new ones to accommodate this year's crop. He is still forced to accept his income in a bit now and a bit later process. I submit that there is no wage earning group in Canada today which would be pleased or happy to receive its salary on the instalment plan, and that is exactly what the farmer of western Canada has been forced to do for years. The farmers are constantly plagued with unpaid bills and are always short of cash. These are realities, and unless we want a complete collapse in our grain-growing industry immediate and definite steps must be taken.

I was very sorry to hear the Minister of Transport (Mr. Hees) state in reply to a question of mine the other day that the government had not seen fit to re-establish the position of transport controller. We have argued in the house for some years now that there was need of a transport controller, a person charged with the responsibility of seeing that there was an equitable distribution of box cars in the west at all times; and not only charged with the responsibility of seeing that this happened but given the authority to carry out his responsibility. I feel we can look forward to another crop year of confusion as far as the box car situation is concerned.

Many people across Canada are of the opinion that the farmer is getting something

he is not entitled to, that the farmers of Canada are always demanding and giving very little. In the May 10 issue of the Alberta *Wheat Pool Budget* the editor of that paper put before the public a little article entitled "Fair Play". He pointed out in this issue that utterances and writings across Canada continue to condemn the farmer for his approach to his present economic difficulties. He pointed out that it is said that farmers must stop demanding help, that the price of wheat must come down, that the law of supply and demand must be recognized, that an industry cannot be bolstered by subsidies, that agriculture no longer is indicative of the prosperity of Canada and that other industries should not be penalized by subsidies to agriculture.

These and many other comments are frequently heard from coast to coast in Canada. It is obvious from such comments that many people still do not understand or appreciate the position of the western farmer. Traditionally the western farmer has spurned aid and has preferred to stand on his own feet. Free trade has been the slogan of the farmer of the west since the early days. That, however, is not the way the people of Canada want things. They have decided to protect pratically every other industry in Canada from foreign competition. If the law of supply and demand is going to be set aside for others, then the farmers too must play under the same rules.

His costs have skyrocketed because of the high prices others have been permitted to charge in a protected market. He cannot be adequately protected by tariffs because what the farmer produces, particularly wheat, are export commodities. It is neither illogical nor unfair that a small portion of the tax dollar collected from the profits of those who have benefited at his expense be used to support agricultural prices. Agriculture may no longer determine the degree of the nation's prosperity but it is still vital in maintaining it. Ours is not a free and competitive economy but rather a regulated one. The rules that assure the prosperity of some should guarantee at least the survival of others. The moment that all Canadians agree to absolutely free and unrestricted trade so that the farmer can buy his requirements from the cheapest source, price supports for agriculture will not be needed. I feel, Mr. Speaker, that that pretty well points up the position facing those engaged in agriculture not only in western Canada but from coast to coast.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, as I rise to make my first remarks in this house as the new member for Qu'Appelle I cannot help but say in all seriousness that this legislation which has been introduced into this house and which carries my name along with that of the Minister of Trade and Commerce (Mr. Churchill) represents to many of us a great moment in this country's history. I think I can say honestly that for seven years this has been one of the subjects on which I have spoken and expressed myself all through the western part of Canada. Hence it is not inappropriate that as the new member for Qu'Appelle I should be making my first remarks in this house on the subject of wheat. A predecessor of mine who came from there was a man by the name of Ernest Perley. He represented Qu'Appelle during the years 1930 to 1945. His very name stood for wheat. Every time he rose in his place in this House of Commons, both on this side of the house and on the other side, the members of the house knew what the subject was going to be when he rose to speak. I hope that tonight, Mr. Speaker, my remarks here will do justice to his memory.

The significance of the cash advance to the western farmers can be understood only through knowledge of some of the background of what has happened over the last 20 years. I do not intend to speak at any great length. I just wish to emphasize and to point out the highlights of this background so that hon. members from all parts of Canada may understand the deep feeling with which those of us from the west approach this matter.

The depression was not only a depression to us in western Canada; it was a double depression. All parts of the world had a decline of prices and unemployment, but in addition, we had drought and no crops and the situation hit us doubly hard. In addition, the depression was followed by war in which the people in western Canada were asked to make sacrifices along with the rest of Canada, something which has peculiar connotations today. This part of Canada was put under price control as well as the rest of Canada. Our wheat price was set for that wheat which was sold abroad and a special price of 77½ cents a bushel was set for that grain which was sold for consumption in Canada. During the war we were asked to join in that war effort. Not only were we asked to send our young men and our young women into uniforms and into factories in central Canada,

we were asked to accept a price on our grain lower than a price which would have given us a chance to restore our economic fortunes after the depression.

After the war when the price controls were removed from goods affecting all the rest of the people of Canada, the western grain farmers were asked to subsidize every consumer of grain in this country at the price of 77½ cents a bushel long after the controls were taken off. That amount of 77½ cents a bushel can be understood only when you realize that across the line our neighbours in the United States at one time were receiving as high as $3.50 a bushel for wheat of inferior quality. That was the sacrifice the people in Canada asked western Canada to make. We made that sacrifice gladly during the war, with no questions asked, but there was an understanding given by the government of this country during the war that when the days of conflict were over we would be given a hand in our difficulties, both on the question of development and on the question of grain prices. So we have this question of cash advances tonight. It meets not all the problems of the farmers but it does answer one need, and one that we in western Canada have felt deeply about the last seven years.

Furthermore, following the war, the people of western Canada were asked to go into a gigantic gamble on their product: we in western Canada were asked to go into the British wheat agreement where we voluntarily accepted a lower price than the world price on the pledge made by members of parliament who now sit in this house on the opposite side that when that agreement was over we would then receive a higher price than the world price, whatever that might be. That gamble cost the western farmers $600 million. The good people of Canada supported the government of that day in providing us with a partial recompense to the tune of $65 million. We appreciate that 10 per cent return on the losses that we took. This gamble was taken with the support of the government of that day and one of the opposition parties, namely the C.C.F. and that gamble failed.

I well recall seven years ago the movement in western Canada to ask us to march on Ottawa to ask the government for 25 cents a bushel in addition to the $65 million we received. I refused on behalf of the party I led in the province of Saskatchewan to take part in that venture because I said we had gone into that gamble with our eyes open and even though the Conservatives were the only ones who had opposed that gamble, the people of western Canada had supported it by their votes in 1949 and we had to be prepared to accept that loss. So when they talked about the march on Ottawa I said, "No, let us look forward to seeing the losses that are coming."

I put on record in western Canada my feelings in a series of articles under the heading "The Dangers Ahead in marketing". One of these articles dealt with this question of the piling up of grain in storage and so on. I am not going to deal with this any longer but it turned out in this country of ours in 1950 that we in western Canada and in all parts of Canada were heading into difficulties in the agricultural industry. All across that western country protests began to be heard and no one paid any attention. When the election came along in 1953, so great was the division among the people of western Canada in support of the various parties that representatives of the government of that day were returned who should not have been returned if the majority of the people of western Canada had had their way.

Today we know in western Canada and all through Canada that there has been a great revolution going on in agriculture. We know that fundamental reforms are necessary. The fundamental purpose to which we must set our hands is to give to agriculture a fair share of the national income. Under this government we pledge ourselves to the fundamental reform. But in the meantime, it is necessary for us to see that the machinery of marketing which we have works a little bit better. That is the reason for this cash advance legislation which is before the house today. This thing dramatizes to western Canadians the need for this attitude in agriculture.

In this house over the last several days during the debates on this issue I have heard the statement that this cash advance bill does not meet all the fundamental needs of agriculture. I say this to you, Mr. Speaker: Who asserts that it does? What single person or organization in Canada asserts that this legislation meets all the fundamental needs of agriculture? Certainly not any member of this party on this side of the house. I hold in my hand a little pamphlet which was issued and distributed in western Canada; it is entitled "The Progressive Conservative Agricultural Policy". I presume it was distributed all across the country. I look at this policy and find 13 points. What we are dealing with here tonight is only one of them. There the members of this house will find the agricultural policy of this party which will be brought forward step by step by this government. The question has been chased around a little bit and I think this statement must be made clearly.

What then is the need for this legislation? Since it does not meet all the fundamental

needs of agriculture, why is it brought into this house? The answer is this very simple fact. Not only do 200,000 farmers need cash at the usual time of year when they pay their bills but there are several thousand merchants in western Canada who cannot operate much longer on their credit until this system comes into effect. This also includes the working men and the implement factories of central Canada who benefit directly as the western farmers and all farmers benefit.

I am going to read to you tonight in statistical form just what the situation is. I am going to give to the house the amount of money received through wheat board payments, by groups of months in western Canada, so that members of this house who represent all Canada, not just western Canada, can see what the situation is with seven simple figures. I am taking the amounts of money for the months of August, September, October and November that usually go into the hands of western farmers to meet their needs for operations, taxes, buying of clothes and books for their children and so on; in other words, the ordinary needs of the farmer at the ordinary time of year when he meets his bills.

In the year 1951-1952—that is the crop year—in the months of August to November, the farmers of western Canada, which includes Peace river, received $305 million in wheat board payments, which include the initial payment and subsequent payments. In the year 1952-1953 they received $381 million in this four-month period. In the year 1953-54 they received $328 million. During these three years an average of $338 million went into circulation in western Canada and was passed on to eastern Canada to pay our bills in every fall in those years in that four-month period.

Now those were fairly good years for crop production in western Canada but this represents the type of thing that was going on. Listen to these figures: in the year 1954 to 1955 the figure had dropped to $159 million; in 1955 to 1956 it was $119 million; in 1956 to 1957, $183 million; and this year it was estimated at $147 million, or an average for the last four crop years in western Canada of $152 million. This amount of money was going into circulation in a four month period to meet bills that ordinarily amount to well over $338 million, the average in the three years 1951-54.

The difference between the average in the three years I first quoted and the four years I have just mentioned is $186 million a year. In other words there is $186 million short in these four months an amount usually used by the farmer to pay his bills. Now there is the sound economic need in a nutshell; there are the figures which tell you why the merchants urgently wish to see this bill come into effect; that explains why the business man is anxious to see it come into effect, and it certainly explains why the farmers are anxious to see it come into effect.

This is the cash advance suggestion we are putting before the house to meet this situation by putting into circulation a certain amount of money. I have heard this figure kicked back and forth in this debate today between the various parts of the house. The Minister of Trade and Commerce thought that between $100 million and $150 million would go into circulation as a result of this bill going through. That is in addition to the amount of the unit quota which usually runs around $69 or $70 million.

Now if you look at the figures there are 62 million acres in western Canada called specified acres. If you multiply that 62 million by the figure of six you get a figure of 372 million bushels which is the number of bushels that would be the highest level on which you could expect to advance cash; that is to say 372 million bushels at 50 cents which comes out to $186 million. So that the highest possible figure for the advance is $186 million which is almost identical with the difference between the amount of money that used to go into circulation in the first three years I quoted from 1951 to 1954, and the last four years. This is an effort to meet and fill the gap where there is a real economic need on the part of the farmer, the business man and the people of Canada. It is on that issue and for that reason that this bill has been put forward.

I am not going to go into the details of this bill. We all know that the unit quota of 500 bushels for barley and 800 for oats goes along with the 300 bushels for wheat. I can see that this whole matter illustrates the fundamental need in western Canada which has grown over the last seven years and which has not been met. All this government is trying to do in bringing in cash advances for western Canadian farmers is to meet this fundamental need. In this bill, if you look at it with your hearts as well as your minds, you will see that we have put our faith in the honesty of the western farmers.

If we had tried to evolve an advance system based on all the technicalities involved and to meet every loophole of which the dishonest person might try to take advantage, we would not have a cash advance bill brought in for another year. We have produced a simple bill, using the same system the farmer has always used and we have

enough security there to protect any average creditor, because those of us who come from the west know the significance of the permit book. The only way you can beat this legislation—I am speaking now to those who come from areas outside western Canada—is to quit farming because then you will not have a permit book. We who are living under the western Canadian system know what that means.

Now this concludes that part of my remarks on this subject. I repeat that it is not the fault of the western farmer that his markets have been lost; it is not his fault that the grain storage is blocked in the elevator. He has cut his acreage down and has made every effort he can to get out of this mess. We have to meet the situation left on our doorstep by the previous administration.

There has been some discussion—I am simply amazed at this—as to whether the farm organizations and the farmers generally want cash advances. Let me assure my friends in this house, in all parties and from all parts of the country, that the great majority of the western farmers—I would say 95 per cent—want a system of cash advances. There is no argument about that in western Canada and this whole issue tht has been kicked around in the house today, makes me wonder. I did some reading between the closing of the house at six o'clock and the opening at eight o'clock and I picked up a copy of the *Leader-Post* dated November 12, 1955, where I found this heading "Farmers Mass Meeting ask for Cash Advances". There was another statement where the former minister of agriculture was speaking—but I will leave that for a moment and will come back to it later because I see the former minister is now in his place.

I have had some experience with this matter. I have seen resolutions go through by every political party in western Canada, including the Liberal party, in support of cash advances; I have seen these resolutions go through every board of trade in support of cash advances; I have seen the legislatures of western Canada pass resolutions in favour of cash advances. I do not know of a farm organization today in Saskatchewan which lets its body politic or rank and file get together and discuss these matters which is not in support of cash advances. That is the feeling on this matter in the west. I have heard in this debate some remarks to the effect that one party has been supporting this legislation since 1952 and I have just finished saying that I have heard resolutions put through by every party. I thought it might be appropriate at this time, in view of the fact that the leader of the Conservative party of a few years ago is not now in this house, to read the remarks of the Hon. George Drew who was then leader of the official opposition contained in his first speech in the new session of parliament in the fall of 1952. It is reported in *Hansard* of November 24, 1952.

> Farmers are finding it impossible in many cases to deliver their grain to the market, we are informed, no matter what steps are being taken. The whole system of handling and distribution has broken down. The government, no matter what its explanation may be, has failed to take effective steps to provide for the handling of grain, in spite of the knowledge many months ago, and the warnings many months ago, that this situation was going to arise. In western Canada today there are many farmers, with huge quantities of wheat and other grains worth considerable sums of money, who are unable to get money at this time to cover their harvesting and living expenses because of their inability to deliver that grain to market.
>
> This is a situation with which the government should deal immediately. It is urgent and calls for attention without delay.

Now this was November 24, 1952. If that situation was urgent in 1952 it is doubly urgent today and I am making no apologies for reading into the record the words of the then leader of the opposition.

If for no other reason than the passage through this house of this bill on cash advances, this government deserves the support of the people of Canada. There is a real need here, and we have met this real need and we have shown our determination to put into action what we have preached.

Mr. Speaker, I have indicated, I believe, that I wish to be fair in these matters. I have said that all parties in western Canada supported this proposal to make cash advances. It was only in the last election that people realized that by dividing their votes among the parties they would defeat this end, and they began to rally behind the party which is now led by the present Prime Minister (Mr. Diefenbaker).

Mr. Speaker, in this debate we have heard members of the official opposition declare their support for cash advances. That was after June 10. This conversion is remarkable, and I cannot but recall the days of the bank loan. I am going to pick up a copy of the Saskatoon *Star-Phoenix* dated November 9, 1955, and, again, I will read just the headlines:

> Gardiner Defends "Howe Plan" Giving Bank Loans to Farmers.

At that time I was suspicious that Mr. Howe was getting his throat cut from ear to ear, because according to the headline this was not the policy of the government. Back in 1955 this was described to western farmers as "The Howe Plan" and indeed Mr. Howe did get his throat cut from ear to ear on

June 10. Now we have heard in this house today a declaration that this is now good legislation, and the former minister of agriculture is defending what two years ago was the Howe plan.

Mr. Gardiner: Mr. Speaker, on a question of privilege: I do not think the hon. member, by reading the headline of that paper, indicates that I said it was the Howe plan. He is simply saying that the *Star-Phoenix* headline writer said it was. I supported the plan, but I do not think I called it the Howe plan.

Mr. Hamilton (Qu'Appelle): Mr. Speaker, I would like to read more of this, if I may, in answer to the question of privilege raised by the former minister of agriculture.

Mr. Speaker: May I remind the hon. minister that if the ex-minister of agriculture, the right hon. member for Melville, makes a statement in his place it is not one that can be controverted; it must be accepted.

Mr. Gardiner: I have no objection to his reading. I simply wanted to say I supported the plan for bank loans, but I do not think I referred to it as the Howe plan. I was as much responsible for the drafting of it as he was.

Mr. Hamilton (Qu'Appelle): I am still speaking on the question of privilege, Mr. Speaker. The hon. member for Melville (Mr. Gardiner) was at that time very critical of the press and said: "I insist on giving you a written copy of my remarks because I am so often misinterpreted." And in the statement I have here, "The Howe Plan" is put in quotation marks because those are his own words to the press.

Mr. Gardiner: I favoured it no matter what they called it.

Mr. Hamilton (Qu'Appelle): That was the point of my comments, Mr. Speaker. At that time, I confess, I was suspicious and now I find I had no reason for those suspicions. The devotion and the loyalty shown toward Mr. Howe at that time is now confirmed by the hon. member for Melville when he says that the bank loans are a good thing, and when I heard the hon. member for Rosthern (Mr. Tucker) point out in this house on Thursday that the $3,000 maximum under the bank loan arrangements was the same as the $3,000 maximum in this legislation, I thought his opposition in Saskatchewan must have been correct when they said that the Liberal party shot out their brains when they did a certain thing.

Mr. Speaker, when I heard that remark I thought the Liberal party was committing suicide, to come here and say that the $3,000 in connection with the bank loans was the same as the $3,000 in connection with cash advances. I am not going to remind hon. members of the figures I quoted earlier, but here is a scheme which, as the Minister of Trade and Commerce has stated, could put into circulation between $100 million and $150 million, while at the other end of the scale is another which could put into circulation about $8 million. It would seem that according to the mathematics of the Liberal party, $8 million is equal to $150 million.

I thought I heard the Liberal party commit suicide on Thursday when I heard the hon. member for Melville—

Mr. Knowles (Winnipeg North Centre): Is this the new dignity in parliament?

Mr. Hamilton (Qu'Appelle): Mr. Speaker, I apologize for having used that reference. But when I heard that hon. member tell the house that, in his opinion, not only was that earlier legislation just as good but it was better, I knew what we were going to be doing on this subject.

Now I am going to mention a few remarks made by the former minister of agriculture, and point out what I believe are some of the answers. One of the subjects dealt with by the hon. member for Melville today was the subject of grades of wheat. I am not altogether certain whether the inference was that in the case of a lower grade a farmer would get more money out of this bill, or less. So what I am going to do, with the permission of the house, is table a report which shows exactly what the various farmers will receive on both bases, the basis of No. 1 northern and the basis of No. 4 northern. Looking at this table I find that on the basis of No. 1 northern the farmer on 50 specified acres receives 70 per cent of the total initial price, and that, Mr. Speaker, works out at 86 cents a bushel. The farmer on 100 acres receives 60.3 per cent of the total initial price possible to him, which works out at 74 cents a bushel. And as one goes down the list, on 200 acres the percentage is still 52 per cent and the price is 65 cents. When one reaches the biggest classification of all, 1,000 acres, one finds that the percentage of the total initial price has declined to 43, and the average amount of cash per bushel available is 53 cents.

That is for No. 1 northern, and I hope I may be allowed to table these figures. The next set of figures relates to No. 4, and I find on looking at my table that a man on 50 acres receives 73 per cent of his initial price; the percentage is higher. Reading down the table further, one finds that on 1,000 acres the percentage is 48.

Grain

Thus, the whole effect of this legislation is this: we did not try to get a sliding scale based on grades. We took the simplest course open to us, and on the basis of No. 1 northern it gives 70 per cent to the small farmer and 43 per cent to the top quota allotted under this act. To the farmer producing grade 4 wheat it gives an even bigger percentage. In other words, we took a chance that the farmer delivering a lower grade of wheat, who would receive a little more in percentage, would be able to pay that off in the year of sale.

Have I permission to table these figures, Mr. Speaker?

Mr. Speaker: Has the hon. minister the leave of the house to table these documents? May I ask the minister what is the source of the information? I take it the hon. minister is suggesting to the house that they should be tabled, or does he want them printed in today's *Hansard* report as part of his speech?

Mr. Hamilton (Qu'Appelle): I think we should have them printed with my remarks because many people across Canada will want to see these figures and learn what they are going to receive under this scheme.

Mr. Speaker: Has the hon. member leave to have the tables from which he is quoting printed with his speech in *Hansard?*

Some hon. Members: Agreed.

Mr. Hamilton (Qu'Appelle): The first table is as follows:

BASIS NO. I NORTHERN—STREET PRICE OF 1.235 PER BUSHEL

Specified Acreage	Deliverable 6 Bus. Quota		Unit Quota		Maximum Advance Value	Total Cash	Percent of Total Initial Price	Average Amount Cash per Bushel
	Bus. (1)	Value (2)	Bus. (3)	Value (4)	(5)		(6)	
50	300	370	300	$370	$ 150	$ 520	70.27	86 cents
100	600	741	300	370	300	670	60.31	74 "
200	1,200	1,482	300	370	600	970	52.38	65 "
300	1,800	2,223	300	370	900	1,270	48.98	60 "
400	2,400	2,964	300	370	1,200	1,570	47.09	58 "
500	3,000	3,705	300	370	1,500	1,870	45.89	57 "
600	3,600	4,446	300	370	1,800	2,170	45.06	55 "
700	4,200	5,187	300	370	2,100	2,470	44.45	54 "
800	4,800	5,928	300	370	2,400	2,770	43.98	54 "
900	5,400	6,669	300	370	2,700	3,070	43.61	54 "
1,000	6,000	7,410	300	370	3,000	3,370	43.31	53 "

The second table is as follows:

BASIS NO. 4 NORTHERN—STREET PRICE OF 1.085 PER BUSHEL

Specified Acreage	Deliverable 6 Bus. Quota		Unit Quota		Maximum Advance Value	Total Cash	Percentage of Total Initial Price
	Bus. (1)	Value (2)	Bus. (3)	Value (4)	(5)		(6)
50	300	$ 325	300	325	$ 150	$ 475	73.08
100	600	651	300	325	300	625	64.04
200	1,200	1,302	300	325	600	925	56.85
300	1,800	1,953	300	325	900	1,225	53.85
400	2,400	2,604	300	325	1,200	1,525	52.06
500	3,000	3,255	300	325	1,500	1,825	50.98
600	3,600	3,906	300	325	1,800	2,125	50.22
700	4,200	4,557	300	325	2,100	2,425	49.67
800	4,800	5,208	300	325	2,400	2,725	49.25
900	5,400	5,859	300	325	2,700	3,025	48.92
1,000	6,000	6,510	300	325	3,000	3,325	48.65

(6) This column shows the value of unit quota (col. 4) plus maximum advance (col. 5) in percent of value of unit quota (col. 4) plus value of six bushel quota (col. 2).

There was one other point raised during the course of this debate the other day which I think should not have been raised today. I am referring to the remarks made last Thursday by the hon. member for Assiniboia (Mr. Argue) who expressed the wish that the quota had been a little larger, 8 bushels per specified acre. He knows as well as I do that this had been the request of the farm organizations over the last several years. I believe that is a fair statement.

Mr. Argue: Eight bushels?

Mr. Hamilton (Qu'Appelle): Yes, 8 bushels per specified acre. I wish to point out to the hon. member that when he examines the

figures I have placed on *Hansard* he will discover that the small farmer is better looked after as a result of the way we have done it because we have simultaneously given a quota of 6 bushels per specified acre plus the unit quota. For the information of the hon. member, and I hope for the information of all hon. members of this house, I am going to read a comparison in dollars of the two systems, if I may.

Mr. Argue: I wonder if the hon. gentleman would permit a question. Is it not a fact that the farm organizations in requesting an 8-bushel quota excluded it from the unit quota?

Mr. Hamilton (Qu'Appelle): Yes, that is exactly the point, Mr. Speaker. They had not considered the possibility that we would use both systems simultaneously.

Mr. Argue: I very much think they did.

Mr. Hamilton (Qu'Appelle): In any case, in answer to the hon. member's remarks I am going to point out what it means. First of all you must remember in taking their request for four dollars per specified acre, which is the equivalent of eight bushels times 50 cents, you would have to deduct the initial quota and so the way it works out is that on an acreage of 50 specified acres there would be no advance under the system as I understand it, but under our system there would be $150 advanced in addition to the unit quota. On 100 acres there would be $29 for the straight 8-bushel system in addition to the unit quota, but our system would give $300. On a farm with 200 specified acres there would be an advance of $429 for the straight 8-bushel quota system in addition to the unit quota, but under this system it would be $600. The table I have in my hand shows that the farmer with a specified acreage amounting to 300 acres or less does a little better under our system than he would under the straight 8-bushel quota system and for farms with specified acreages of more than 300 acres there is a slight advantage under the 8-bushel quota. Unless some hon. members wish to have this table printed in *Hansard* I shall confine my remarks to these few words.

Hon. members will find that the farm organizations in proposing the system did not propose the simultaneous use of the unit quota system. They were agreeable to what we were proposing because they recognized that it did give some preference to the small farmer whom we define as a farmer who is effectively farming 300 acres or less. This is a clear answer to the question implied in the criticism of the hon. member for Assiniboia on Thursday.

I wish now to deal with a few remarks made in the house this afternoon which cannot be let pass without some comment. As I understood the remarks of the hon. member for Melville, he said one of the arguments he had put forward in connection with the Liberal bank loan system was that it did not have the several disadvantages our system had. He mentioned the question of debts and creditors and as I listened carefully to him this afternoon I received the impression that under the Liberal bank loan system the creditor had no chance to collect from the farmer. This was merely the impression I received. Under our system as he described it I visualized the farmer sneaking around the banker by the back lane. I gathered the impression from the remarks of the hon. member that under the Liberal system the creditors could do nothing to this man.

Mr. Gardiner: Mr. Speaker, that was not the intention. What I stated and what I think is the fact that the banker could not utilize his position as a banker to make collections out of that money and that the cash had to be handed to the farmer.

An hon. Member: Or to someone else.

Mr. Gardiner: Well, someone else could collect from him after he walked out on the street, yes.

Mr. Hamilton (Qu'Appelle): I am very glad to have that correction.

Mr. Gardiner: It is not a correction; it is just what I said.

Mr. Hamilton (Qu'Appelle): I was just giving the house the impression I received from your remarks and I am sure other hon. gentlemen got a similar impression.

I return now to the *Leader-Post* of November 12 to which I referred previously and the article bearing the headline, "Loans direct to borrowers" and the subheading, "Misinterpreted, says Gardiner". Here we have someone else who has been misinterpreted on another occasion. On this occasion the hon. member for Melville said what he says now. The article says in part:

> Federal agriculture minister James G. Gardiner Thursday night denied he had stated that proposed government guaranteed bank loans to farmers would be protected against seizure by creditors.

Therefore with regard to the question of seizure by creditors there is no essential difference. This is simply a way of putting money into circulation in a manner acceptable to the farmers.

I think we heard a challenge this afternoon from the former minister of agriculture to the effect that he would let the people of western Canada decide whether the Liberal

bank loan legislation was superior to the present system of cash advances proposed by this government. I took from those remarks a direct challenge to this government in the west that the farmers would take more money out in the form of loans, which course is still available to them, than they would in the form of cash advances. If that is the challenge of the hon. member for Melville I want to say on behalf of the government—and I am sure on behalf of every western farmer—that we accept his challenge on that ground. There will be a good scrap over that question, Mr. Speaker, because on this issue I think I speak for every farmer and merchant in western Canada. I am glad the hon. member for Melville has not risen in his place to say he was misinterpreted in those remarks.

Mr. Gardiner: Mr. Speaker, I do not say I have been misinterpreted in that respect but I do say that my hon. friend is misquoting me. As a matter of fact what I said this afternoon was that we would not need to debate this question any further because in another six months we would know.

An hon. Member: And maybe before that.

Mr. Hamilton (Qu'Appelle): I think Mr. Western Farmer will understand that type of statement.

I have taken the time of the house allotted to me for my remarks and I wish now to thank hon. members for the courtesy with which they have listened to my first effort. I wish to conclude by expressing my firm conviction that this government recognizes that in every part of Canada many segments of our population have begun to receive less than their fair share of what the national income of Canada should provide for them. The government recognizes that justice should provide not only for those groups which have fallen behind but also for those areas that are lagging. Through its action in introducing cash advances and the other measures presented to the house this session—and in future sessions—I think the Canadian people will recognize that what we have promised to do we will do. I am sure this has given the Canadian people a great lift in spirit and has removed the scepticism of the thirties because now they see in power a party that will earnestly strive to live up to the promises it has made.

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, before I get to the burden of my remarks, which are going to be very brief this evening, I should like at the outset to commend the Minister of Agriculture (Mr. Harkness), who this afternoon for the very first time since I have been in this house at least placed on the record in unmistakable terms the position of the western farmer, in so far as the arguments put forward are concerned that he is a man who is engaged in an industry and has been asking the people of Canada to support him over the years. I think the minister and the government should be commended because never before has the government gone out of its way to place the true picture of western agriculture before this house and to give the members of eastern Canada some indication of just what is involved in farming in western Canada.

Having said that, Mr. Speaker, I should like to deal for a moment with some of the arguments put forward this afternoon in defence of the former bank loan administration. The former minister of agriculture, the right hon. member for Melville (Mr. Gardiner), tried to point out that this legislation was not better than the former bank loan legislation. Well, in so far as the merits of it are concerned and the money that is going to be put in the hands of the western farmer is concerned, I would wholeheartedly agree, but there is a considerable difference. First of all, the banks are not involved and that is very important. The elevator agents are going to be responsible for carrying out the mechanics of this proposition and, of course, the fact that there is no interest charge is of tremendous importance.

While I am not happy about the legislation as a method of doing something concrete for western agriculture, I am going to say that it is a lot better than what we have had before and it is a great deal better than any of the plans that are being put forward by certain other people in this country as a method of helping out the farmer in the dilemma in which he finds himself today. For the benefit of the Liberal party in this country I should like to put on record one of the plans which is being put forward by a certain individual who was very close to the Liberal party prior to the last election. Here it is. It is an offer to buy wheat provided that the farmer delivers it to a point specified in this advertisement for a cent a pound. This applies to No. 5 and No. 6 wheat which today are selling on the market for 97 cents a bushel. This certain individual is offering 60 cents a bushel, a cent a pound. Things are so bad that the farmers are taking advantage of these propositions which are being put forward by certain unscrupulous people in this country.

It is even worse when you follow it through to its logical conclusion. Here is an individual who in effect is saying to the farmers: if you will buy a refrigerator from

me I will take half cash and the remainder in wheat at a cent a pound. First of all, he hikes up the price of his refrigerator by $80 and the upshot of the whole proposition is this, the refrigerator that he is selling for $448 brings him a net profit of $225 at the farmers' expense. Who is putting forward this plan? Nobody else, Mr. Speaker, but the former representative in this house from Moose Jaw-Lake Centre, Mr. Ross Thatcher, protege of the hon. member for Melville who went around the province of Saskatchewan saying, "You should elect this man because he is an important man in the Liberal party and he will do great things for western agriculture."

I was very concerned and not a little amused this afternoon, Mr. Speaker, when the right hon. member for Melville was concerned and shed a lot of tears about the impossible position the elevator agents were going to be put in because of this measure. He said, "You are placing them in a position where they are going to have to indulge in certain questionable practices; they are going to go out and they are going to have to bid for this grain in ways that possibly would not be too acceptable."

Mr. Gardiner: Mr. Speaker, on a question of privilege, I did not call any of the practices that I discussed questionable practices.

Mr. Bryson: I well remember last year, Mr. Speaker, and the year before, that the opposition today, when they were on the government side of the house, used every devious means—and I do not think it is too strong a word—to keep producers from delivering grain to the elevator of their choice. Whenever a piece of legislation was introduced in this house suggesting that the farmers should be able to deliver grain to the elevator of their choice the government of the day voted solidly against it. Now, apparently, they are worried about the elevator agents. I do not think the elevator agents or the people of Canada are going to appreciate the reflection which was cast on the elevator agents by the remarks of the former minister this afternoon.

I have said that I am going to have to agree with one thing the hon. member said. I agree wholeheartedly with him that the government is being dishonest when they say that the measure before this house is a cash advance measure. It is nothing of the kind; it is a loan. Before they are finished with this piece of legislation I should like the government to explain to me and to the party which I represent why they did not introduce an honest cash-advance piece of legislation. What is a cash advance? Well, any farmer in this house knows that any time he takes hogs or cattle to the market to sell he is invariably asked whether he would like an advance. It is a common practice. In many instances I have done it myself. I have said, "Yes, I will take $100." But when I get my returns they show the full amount less the advance that I received.

Why could the government not have done the same thing in this legislation? Why could they not say to the farmer, "We will give you 50 cents for the wheat you have and when you haul it in here we will give you the remainder?" That would be the end of the transaction. It seems rather foolish to me to say to the farmer, "You owe us money." The farmer does not owe the wheat board any money on a bushel of wheat when he has received only 50 cents. The wheat board owes him money. Does it not seem foolish that when he delivers his wheat, in spite of the fact that the wheat board owes him the difference between what he received, 50 cents, and the initial price, which may be $1.20, to say to the farmer, "Oh, yes, we owe you 61 cents or 62 cents, but until you pay us the 50 cents we will not pay you any more?" In other words, they are saying, "You pay us back the 50 cents and we will pay you the $1.20." This seems very strange to me.

What would happen under the wheat board system of marketing today if when you hauled your grain to the elevator you received the initial payment of $1.20 and some time during the winter you were to get an interim payment of, say, 10 cents a bushel?

Would it be reasonable to say to the farmer, "We will not pay you the 10 cent interim payment until you pay us the $1.20 that we paid you initially and then we will give you $1.30"? I should like the government to explain the kind of reasoning they used in arriving at this formula.

So, Mr. Speaker, I simply wish to say, as I said in the first instance, that the bill is going to put a little cash in the hands of farmers who are badly in need of it, but I think the important part of it is that it is going to equalize quotas. As long as we have a quota system we are going to be faced with the problem of inequality under that system. As I see it, it cannot be avoided. The measure we are dealing with will do something to equalize the quota system. While we are not satisfied with the legislation, we are going to approve of it because we see in it something a great deal better than anything that has been proposed in the house prior to now.

Mr. E. B. Huffman (Kent, Ont.): Mr. Speaker, the Minister of Northern Affairs and National Resources (Mr. Hamilton) referred in his closing remarks to the imbalance of purchasing power in certain segments of our

population. For that reason I should like to make some observations inasmuch as I come from a province other than those that are covered by the bill. I supported the resolution when it was introduced and made the request that the bill be altered so that primary producers in all the provinces rather than in a limited area might be included under its provisions.

Some members may feel that it would be impossible to have the legislation operate in the province of Ontario but in that province we have marketing agencies which could act as the liaison between the government and the primary producers. I am sure such agencies could meet the requirements of this legislation. Some representatives of these organizations came to Ottawa shortly after the election and met different members of the government for the purpose of placing the position of the primary producers before them. For example, representatives of the Ontario wheat producers association, accompanied by members of the federation of agriculture from several counties in southwestern Ontario and by supporters of the government from the area that they represented, requested the government to take action regarding the wheat problem in Ontario. The soybean marketing board and the horticultural council representing the fruit and vegetable growers sought assistance of a similar nature.

I am sure hon. members will agree that if the industry was in a healthy position these busy men would not have approached the government as many of the problems facing the industry have been resolved by action taken by their own associations. Recently the farm loan board made the statement that farm loans have increased 60 per cent compared with a similar period a year ago. I think that points out very definitely that agriculture as a whole certainly is not in as healthy a position as it might be.

On October 24 I asked the minister who is piloting the bill in the house tonight if he would before the conclusion of the speech from the throne debate consider the possibility of bringing in legislation to stabilize farm prices, and I was referring at that time to the commodities I mentioned a while ago. My reason for asking the question was simply that many of the commodities now being harvested are not bringing prices that are consistent with good farming practice. I also mentioned the very low price of corn. I learned about this particular instance from a person who knew the farmer who sold the corn, and the net to the producer was 46 cents a bushel.

I contend that if the provisions of the bill regarding cash advances were extended to the producers of corn in the area in which it is produced the producer might receive by way of a cash advance almost as much as he received for his whole crop and at the same time had to lose complete control of it. The corn could be placed in storage where it could dry naturally. It would improve in quality and we would be able to feed a supply of corn into the different channels that require it, mainly the starch companies and the breakfast food companies. Unfortunately there are men who need ready cash in Ontario and the six other provinces not covered by the bill which will only give assistance to the three western provinces.

The reason I asked a question on October 24 was that it did not seem to me that the provisions of this bill would cover the situation and I wanted to know whether the government would bring down soon a stabilization program that would meet conditions such as I have outlined.

This afternoon many hon. members spoke about the small farmer. I am sure everyone realizes that in the other seven provinces of the dominion there are many small farmers. I know that is so in our province. Consequently, I should like to appeal to the government again to assist small farmers in every part of Canada. This afternoon the bill was termed a lifesaver.

An hon. Member: With a hole in it.

Mr. Huffman: Someone says that there is a hole in it. This bill is really a lifesaver with a hole in it and seven provinces of the dominion are going to get only the hole. I have talked to farmers from western Canada who are in Ottawa at this time. I have discussed with them our problem and their problem. They agree that we have a justifiable claim for the same consideration as is provided for western producers by this bill.

I have every sympathy for those who need the provisions of this legislation. I am sure the producers of western Canada will honour their obligations. I was very glad to hear the Minister of Northern Affairs and National Resources say that because we also feel that in this industry there is honour and that our farmers will certainly meet their obligations, both those that will be incurred under this measure and those now in force under the Prairie Grain Producers Interim Financing Act.

It has been estimated that between $100 million and $150 million will be advanced to growers without interest. Again I say that if the government would extend similar provisions to the seven other provinces there would be a good deal more purchasing power immediately available to the many who are

in need of ready cash. Part at least of this year's production would be covered.

Having supported the resolution so that I might have a look at the bill in its final form, I must now register disappointment on behalf of those I represent and those who I feel are neglected. The bill has been called discriminatory by some but I must confess that it has all the earmarks of segregation by legislation.

Mr. Charles Yuill (Jasper-Edson): Mr. Speaker, in rising to support this bill I derive a certain amount of pleasure because I think it is one of the most important bills that has been introduced in my short term here in so far as western farmers are concerned. I think the Minister of Agriculture (Mr. Harkness) is to be complimented on the able way in which he presented this bill. It is refreshing indeed to find a minister who is not afraid to take the wraps off his bills and to present them in their true light. To the farmers who were obliged to indulge in that questionable luxury of borrowing their own wages at five per cent interest I am sure it will be refreshing to see that at long last they have access, in a limited way at least, to the fruits of their labour.

I think this bill goes a long way toward alleviating the stress on the farmer and his economic problems. Nevertheless, it is only a palliative and a means to an end. I hope this government will not fall into the state of complacency that seemed to be the mark of the previous government and feel that by bringing this worthwhile measure before the house, they have done all that is required of them. Basically I think this points up one important point, namely that the cure or solution of our problems does not lie in administering palliatives such as this but rather in coming to grips with the problem of marketing the produce of the biggest partner in Canadian business, namely agriculture.

While this measure, in a sense, helps the farmers, it does not—fortunately or unfortunately—help all of them. In the constituency which I have the honour to represent there are many small farmers who—whether because of taking the advice of members of the previous government and adhering to the technique of diversification or whether it was brought about by necessity—were forced to go out of wheat growing to a large degree. I note that this measure will not help them. For the sake of self-preservation they were obliged to indulge in diversification. Many of them diverted their activities into livestock and dairying and many of them resorted to the growing of seeds and other grain. In my constituency I find that many farmers, because of their desire to make an honest living, started growing rape seed as a means to an end. They found that by growing rape seed they would get some semblance of a just return for their efforts.

However, it was only a short time until they found that there was a roadblock in their way. I refer to the discriminatory freight rates that prevailed. It may be argued that this matter is not relevant to the bill before the house. However, I think it is relevant because that was a direct substitute for a livelihood in many instances in my constituency. I think no hon. gentleman here can suggest that it is desirable or necessary for a freight rate to be raised three times when it related to a new outlet whereby a farmer could have the right to live. I cannot see any moral or economic justice in demanding a freight rate of 70 cents per hundred, when it is obviously fair to charge only 22½ cents on flax or other grains. I fail to see why it is necessary to charge 70 cents in one instance and, as far as the rate to the British Columbia coast is concerned, 64 cents. I think it is the responsibility of this government to see to it that more justice prevails at that level. Are we going to deny to the small farmer the right to diversify and to grow crops that will not clash with the best interests of everyone concerned and, through that medium, to minimize his necessity to avail himself of cash advances?

I know the benefits accruing from cash advances. I know that when the farmer gets money the merchants, of which I was one for a number of years, certainly receive the benefit of it. The minute the farmer gets a dollar business picks up almost overnight. When his conditions are depressed, by the same token the merchant's business is depressed. I think it would be a happy situation and a desirable one if, in spite of this wonderful bill, the government would give some more consideration to these small farmers who are not privileged to cash in on these cash advances. I think it is their responsibility. I think they should place more emphasis on finding markets and on seeing to it that something is done by the board of transport commissioners or the railroads or whoever is responsible. In the final analysis it is the responsibility of this parliament. I think they should see to it that consideration is given to the little farmer who because of adhering to the advice and wishes of the government has tried to eke out an existence through some other means.

Mr. J. H. Harrison (Meadow Lake): Mr. Speaker, I want to be brief in the few remarks I wish to make on this piece of legislation. I also should like to compliment

the government on bringing in this measure of loans to farmers or, as they would rather have it put, cash advances. It is more needed this year than at any time previously for the simple reason that our grain is moving at a slower rate than it has ever moved before. A good three-quarters of the delivery points for grain in the west are not even in the position where they can accept the first one-bushel quota. This fact puts the farmers in those areas in a position where they are in receipt, in the first three months of the crop year, of something of the order of $300 or $350, depending on what kind of grain they have to deliver. This amount is not much more than will provide lubrication for the machinery for removing the crops from the field and further cash is definitely needed from some source or other to take care of the balance. This is a palliative which will help, in its way, those farmers who have grain. Of course for those farmers who have no grain—and they comprise a considerable number in the west this year because of drought and periods of continuous rain which have spoiled what in many cases was a fairly good crop—other remedies are necessary.

My friend from Saskatchewan, the Minister of Northern Affairs and National Resources (Mr. Hamilton) in his opening remarks said that this is a great moment in Canadian history. I am in entire agreement with that statement because I think this is the first time the Conservative party has made a gesture towards finding a solution of the problems of the farmers in the west. There was something previously which one might call a gesture when the last Conservative regime under Mr. Bennett gave five cents a bushel to those farmers who had wheat. At that time about one farmer in a hundred had any wheat so the other 99 went without.

These pieces of legislation are both based upon the cornerstone of Tory philosophy—to those who have shall more be added unto. The Minister of Northern Affairs and National Resources said quite candidly this was not supposed to fix up all the western farmers' problems but I note that the Minister of Trade and Commerce (Mr. Churchill) has in view more permanent relief for them and has a really basic solution for their problems when he tells them they should not raise wheat at all. That is certainly a way to get away from their trouble. It may also be a way to remove the troubles from the shoulders of the Minister of Trade and Commerce, but I note that he did not say in his remarks made to a meeting of the dairy council in September that he had any suggestion as to what they should do to make a living when they quit growing wheat.

[Mr. Harrison.]

Well, if you are going to carry that kind of remedy to its logical conclusion you will tell the farmers of Prince Edward Island they should not grow potatoes and the fishermen of the maritimes they should not catch fish. We have to find a longer-ranged remedy than that implied by these suggestions because the prairies are suited to growing wheat and it would not be very practical to try growing coconuts there and raising wheat in the South Sea islands. We grow these things where they will grow. However, this piece of legislation will help in some areas where farmers have wheat and to that extent I am happy to support it.

Mr. Louis Lewry (Moose Jaw-Lake Centre): Mr. Speaker, my remarks in connection with this bill under discussion will not be long. Previously I have given my view that this cash advance legislation is needed quickly as a stop-gap to assist the farmers of western Canada. The marketing of Canadian wheat is the problem which faces the government and we have heard on more than one occasion remarks from the government benches that the government is doing everything it can to sell Canadian wheat and to regain lost markets.

On October 18 in this house I questioned the Minister of Trade and Commerce (Mr. Churchill) on the possibility of selling wheat to Australia. A week ago the hon. minister apparently did not know there was a shortage of wheat in one of the Australian provinces, the state of New South Wales. Back home some of my erstwhile newspaper friends have been taking me to task for the statements I made at that time. I would like to quote an editorial appearing in the Saskatoon *Star-Phoenix* on Wednesday, October 23 under the heading "Homework First":

> As a rule, not too much is demanded of freshman members of parliament attending their first session of the commons. Other members and the public generally expect little more from them than a maiden speech and a few timely questions of concern to their constituents.
>
> The new C.C.F. member for Moose Jaw-Lake Centre, Mr. "Scoop" Lewry, evidently is not satisfied with such modest demands, at least he didn't appear to be up until the other day when he was effectively "scooped".

The editorial goes on to say:

> He wondered if Canada could not accept sterling instead of dollars from Australia in exchange for Canadian wheat shipped to that country.

Mr. Speaker: I might remind the hon. member that if he wishes to spare his own feelings he can well take refuge in the fact that it is out of order to read an editorial commenting on his previous speech in this session.

Mr. Lewry: May I say, Mr. Speaker, that the editorial takes me to task for my previous remarks by suggesting that I might as profitably have proposed shipping coal to Drumheller or oil to Leduc, that Australia does not import wheat.

Now my own local newspaper likewise took me to task for the statements made on that occasion but two days later the press carried a dispatch from Reuters in Perth Australia, indicating that the situation was as I indicated a week or so before, namely that Australia is in the position where she now wishes to import wheat. There was a news story on October 25 in the Regina *Leader-Post* stating that once approval is given in Australia for the importation of wheat, preferably from Canada, negotiations will begin about meeting the costs. My question at the time was as to whether the Minister of Trade and Commerce had considered the possibility of selling wheat to Australia. The situation I suggest is known to experts in the grain business, including the Canadian wheat board and the grain division of the Department of Trade and Commerce, but apparently not to the minister nor to some of the newspapers in spite of news stories they themselves carried. It appears virtually certain that Australia will be importing wheat during this current crop year and my purpose in asking the question of the minister was to express the hope that our sister commonwealth would import that wheat from Canada.

May I say, Mr. Speaker, that I hope the Minister of Trade and Commerce, the Saskatoon *Star-Phoenix* and the Moose Jaw *Times-Herald* will all do their homework to ascertain the situation in regard to wheat market possibilities, especially within our commonwealth.

Mr. H. A. Olson (Medicine Hat): I do not intend to speak at length on this bill because I am in general agreement with it. There are however one or two details upon which I would like to comment and upon which I would like clarification. First of all with your permission, Mr. Speaker, I would like to refer to standing order 11 which says that no member is entitled to vote upon any question in which he has a direct pecuniary interest and the vote of any member so interested will be disallowed. I am a producer and I have grains; I am also a permit holder. I would like clarification as to whether or not I, along with several other members who would possibly be in the same position, would be within our rights to vote on this matter.

Mr. Speaker, I would like to compliment the government for keeping this bill simple and for not tying it up with too much red tape. I think, too, that it is good to have the elevator agents do the work of advancing this money. Certainly all hon. members who come from western Canada and who have had dealings with the Canadian wheat board know that the elevator agents keep a close check on the amount of grain that each farmer is storing on his farm. They ask from time to time how much is left, partly I imagine in order that they may report to their companies. Certainly they are well acquainted with this information, so I think the present arrangement is a good one.

One other thing is, I believe, worthy of mention. The advancing of this money is going to place an extra load on elevator agents and I certainly hope that the grain companies will take this into consideration and adjust their pay in recognition of the extra work that is to be done.

Mention is made in the bill of the fact that all money which a farmer has borrowed under the Prairie Grain Producers Interim Financing Act must be repaid before he can take home any of the money that is being advanced under the terms of this bill. I think that is a little harsh, because many of the farmers will not have a sufficiently large quota to enable them to repay their loans with the amount of money that is being advanced under this plan, namely 50 cents in the case of wheat, 35 cents in the case of barley and 20 cents in the case of oats. We must bear in mind that the amounts per bushel to be advanced will in fact constitute less than 50 per cent of the value of those grains, and I think that the balance of the value of those grains should be considered in demanding payment, that is, the last cent of the payment, due in respect of loans under the interim financing act.

One other thing seems unfair to me. Under the present provisions, if a tenant and a landlord hold a joint permit book, as is often the case, the tenant cannot take out an advance unless the landlord also applies. There will no doubt be cases where a landlord may not need an advance on grain that is being stored on the farm. There may also be cases where a landlord is away from the district and not available to make a joint application with his tenant. In such cases it would appear to me that if the tenant requires an advance and the landlord is either unable or unwilling to apply with him the tenant should be in a position to take advantage of this measure.

Before concluding, Mr. Speaker, I would like in my own way to try to correct an

erroneous impression. There have been suggestions that this is a handout or a subsidy. My impression is that this is no handout to the western grain producers, and no subsidy, except in regard to the amount of interest involved, which is small. The average cost, as, I believe, has been pointed out by the hon. member for Rosthern (Mr. Tucker) would amount to between $40 and $45 per permit holder and it seems to me that this is not much of a handout. Though the hon. member for Rosthern made an attempt to decry the bill as being entirely inadequate because it is not going to cost the government a great deal of money, I do not share that view. I think this plan will be of great benefit to many producers, even though it is not going to be costly. There are things that a government can do to help depressed sections of our agriculture industry without great cost to the taxpayers and here, I think, is a typical example.

Mr. Wesley Stuart (Charlotte): Mr. Speaker, I can assure you my remarks will be very brief. I had not intended to say anything on second reading until my name was mentioned here by my good friend from Kindersley (Mr. Johnson), who is apparently disturbed by the fact that I voted against the resolution which preceded this bill. I want to make it quite clear that if there is a division on second reading I will vote against the bill on second reading.

When the hon. Minister for Northern Affairs and National Resources (Mr. Hamilton) spoke a short time ago he had this to say in conclusion: "I believe this legislation deserves the support of all the voters of Canada." Now, I wonder if, supposing the old age assistance and family allowances which are provided for Canadians had only applied to the province of, let us say, New Brunswick, the Liberal government would have taken the stand that all Canadians should support such a measure.

I believe that is a very good comparison. This bill provides assistance for one branch of agriculture, and one branch only in three provinces out of ten. If conditions were good in the other seven and if all primary producers were encountering no difficulties I could agree that this would be good legislation.

Mr. Speaker, I cannot carry my remarks too far because I was called to order the other night while I was trying to describe the condition of primary producers in my own province. But I believe I have a full and complete realization of what primary producers have had to contend with in the past and of what they will have to contend with in the future. They are the first to take any reduction in prices; they are always the first to do that, and they are the last to get any increase that might be coming. That has always been the fate of primary producers. But when I see this bill I am forced to realize—even the name of the bill bears this out; it is called "The Prairie Grain Act", not the "The Canadian Grain Growers Act"—that it is only for one section of our farmers. How any government can make people believe that this is not discriminating against other primary producers is beyond my understanding.

As I said at the outset, I will vote against this bill on second reading because, as I said on the resolution stage, it does not take care of primary producers in this country who are, to my knowledge, in a much tougher position right now than the grain producers on the prairies. The government makes no mention at all of what it is going to do with regard to unemployment. In the area from which I come that is a great word, and why I should support legislation designed to assist just a few, not all, in agriculture—just this one group in three provinces—I do not know. I just cannot do it. I will vote against the bill, and in doing so I believe my action may bring more forcibly to the attention of the government that there are others in this country who deserve and must have some consideration. Thank you.

Mr. A. R. Smith (Calgary South): Mr. Speaker, I am trying to decide on getting to my feet whether I should say that I had not intended originally to take part in this debate, or whether to say that I intend my remarks to be very brief. Both statements would be equally true. It was, in actual fact, Mr. Speaker, the remarks of the hon. member who has just spoken which prompted me to make these observations.

Some doubt was raised in the house as to the necessity or the urgency of this measure. Any suggestion, such as that made by the hon. member, that any single measure could be enacted which would remedy all the economic problems of Canadian economy or of Canadian primary producers is nonsense. This particular piece of legislation was introduced in specific recognition of a problem which the government decided was urgent, and which had to be remedied immediately. It was a recognition of a problem that has been with us for some time and which because of its effects on a rather large proportion of people in this country had to be given immediate attention. I suggest to the hon. member that unquestionably other problems of the primary producers will be dealt with on a comparable

basis in the course of this session of parliament or at some time in the immediate future and that Canadians will look upon them as problems shared in common and not those of a separate group.

I have already illustrated many instances of the urgency of this matter, one of which is the position of the merchants who are an integral part of the farm community and are in dire straits because of the shortage of farm income. We have heard several instances of the difficult position in which the farmers find themselves.

I do not intend to say any more to this house than that this legislation is designed to aid a highly important sector of our population, one which is today suffering from an unbalanced economy. If any doubt remains as to the truth of that statement one has only to look at the number of farmers who have been forced—I feel, unfortunately—to migrate to our urban centres, which creates a problem for those areas. This legislation has been introduced by the government to help stabilize this important segment of our economy and I would urge every hon. member regardless of his political affiliation to give it his wholehearted support.

Mr. G. H. Castleden (Yorkton): Mr. Speaker, I feel that much of the misunderstanding we have heard expressed by those who have spoken against Bill No. 14 arises from the fact that they misunderstand the bill itself and the purpose behind it. They do not seem to realize that an emergency situation exists in relation to our agricultural producers. The producers are not responsible for the condition which exists but they are forced under legislation to sell their grain to the wheat board. They asked for it and the government adopted the plan. Under the policies of the previous government the wheat board found it impossible to sell its grain. Restrictive trade practices adopted by the United States government in its give-away programs have taken from us many of our grain markets. The result is that our exports have decreased.

There has been a major increase in production due to efficient farming and good weather conditions and the situation has become aggravated until it has reached the point where the available storage in this country no longer holds our production. There has been plugging and congestion all along the line. Interior storage is also congested and this has worked back to the farms. Most farmers have hundreds and in some cases thousands of bushels of wheat on their farms and the land is producing more. Many millions of bushels of grain must lie in the open field which is a criminal situation.

It is not the job of the farmer to sell his grain. That responsibility rests with the Department of Trade and Commerce of the federal government. I want to congratulate this government for recognizing its responsibility.

In principle this bill says that if a farmer is unable to deliver his grain through no fault of his own then the government will allow him to receive an advance. I would like to point out to those who have spoken against the bill that this does not in any way add one dollar of income to the net return of any producer; we are giving him nothing. Through this measure the government is merely recognizing in some degree that this is one step it can take in making some money available to the farmer in advance for the grain he is expected to produce in the next six or eight months.

The government is calling upon the people of Canada to aid in bearing a portion of the cost which will amount to the interest on the money which they are going to have to advance to the farmer. What else should they do? Surely this is but little. In this bill the government is recognizing the responsibility the previous government refused to accept. The present government feels the farmer should not be compelled to bear the burden caused by the failures and errors of other people.

If the farmers of western Canada lived in the United States just 100 miles south, for instance, they would receive 90 per cent of the value of their wheat as soon as it was threshed. The government of that country is providing storage so spoilage will not occur. There is a price support program in that country protecting the farmers' produce which eases the worry of bankruptcy. Hundreds of Canadian farmers are facing bankruptcy. Family farms are being ruined in many areas.

As everyone who lives in that part of the country knows, if an individual farmer has to store his own grain and all storage facilities are filled the grain may spoil. It may get damp if the farmer has difficulty in turning it over and keeping it dry. This is good food, the result of man's labour and favourable weather conditions; surely it should be treated as a blessing to a hungry world.

I advocated in this house some four years ago that the government should undertake the building of proper storage facilities, both inland and seaboard. I said that if the conditions prevailing in 1954 continued they would result in deliveries being reduced to a mere trickle and asked the government to take action at that time to provide adequate facilities where the grain could be stored

until it could be sold or until some means could be found for supplying it to hungry people and thus maintain the agricultural industry in a healthy condition.

The government of that day with its great majority did not seem to bother very much about this problem and conditions have gone from bad to worse. One reason why the last government was wiped out in the prairie region—in all that area from Port Arthur west—was due to its attitude toward the farmers who were doing their job efficiently and were not being properly treated. The present government recognizes that the farmer should not be penalized for the failure of the previous administration to meet the problem and therefore it is a great pleasure for me to support this bill.

I would say further that if this government continues to adopt the same attitude toward the fundamental problem of agricultural stability and gives real price supports it will receive the support and blessing of this group and of other hon. members from western constituencies who recognize that in legislation such as this we are adopting principles that are fundamentally right and sound.

Of course this bill is not a cure but rather a palliative. It asks the Canadian people to accept the cost of the interest involving approximately $2 million to assist an industry which has been brought to its knees by the ruinous policies of a government which smugly sat and did not care very much for the plight of the agricultural producer.

It is always true that the rank and file of people in this country, the workers, farmers and those engaged in producing the wealth of the land always receive the careful attention of a government which has a narrow majority.

Mr. Studer: You certainly need one in Saskatchewan.

Mr. Castleden: However, they seem to be forgotten by a government that has a big majority. If you people had provided the leadership when you had the chance you would not be where you are today. You failed the policies and the principles of your party as laid down by Sir Wilfrid Laurier, the great Liberal of the country, the party of the people. This group has moved in to the left of you people, judging by the speeches we heard from you this afternoon.

Here we have a government out talking to the people. Food is surely a blessing to mankind, Mr. Speaker. The records of the United Nations and the records within our own empire show that two-thirds of the world population are hungry. We in Canada allow

our food to spoil and those engaged in producing food to be ruined. We spend millions of dollars on armaments to try to win the good will of the world, to try to protect ourselves. We need the good will of the hungry and backward nations of the world. The provision of food is one way in which we can help those people and show them that we mean something when we talk about brotherhood.

Sputnik reminds us that we have to learn to live in brotherhood or be destroyed, or destroy ourselves. Surely it is the duty of every part of the world which can produce food—heavens knows Canada can—to use that commodity and help to bring about the brotherhood of man.

I urge this government to continue this policy. I assure them that it will be with great pleasure that I support this bill and I assure them that the same kind of support will be given to real policies that provide a sound economic base under agriculture, not only in the west but from coast to coast and which will take in all the provinces.

Mr. G. W. Montgomery (Victoria-Carleton): Mr. Speaker, it had not been my intention to take part in this debate, as I am not familiar with matters that affect wheat, but since my hon. friend from New Brunswick recently spoke I thought I should say something. It seems to me he has misunderstood this whole legislation as outlined in this bill or else he has endeavoured to carry a message to my province that this legislation is put forward with the idea of being a cure-all for all agriculture and fisheries.

This legislation is carrying out only one point of the program which was laid down by the Conservative party before the election. We went into the election promising that if elected we would provide cash advances on farm-stored wheat in the west. My people who voted for me, and others who voted in New Brunswick, understood that, Mr. Speaker. This bill is not shoved on us members from the east as a surprise. This is only one point.

As the hon. member for Qu'Appelle (Mr. Hamilton) said not long ago when he read the program, we are looking forward for more legislation, something that is going to put the farmers in general across this country in a position to get their fair share of the money that is distributed. I am looking forward to that and there is no reason not to believe it. I am not like the hon. member for Charlotte (Mr. Stuart) who thinks, or tries to make the people of my province, and no doubt the whole maritime provinces, feel that this is the final, the last and only bit of legislation that this government intends to introduce.

Mr. Stuart (Charlotte): May I ask the hon. member a question?

Mr. Montgomery: Yes.

Mr. Stuart (Charlotte): If the government had these plans, and since there was no budget to be brought down, why were they not forecast in the speech from the throne? Why was this one group singled out and all other primary producers ignored? If that is part of your program, where is it?

Mr. Montgomery: I would like to ask the hon. member to read the speech from the throne again. I would also remind him that we have been in power only a short time and this session is called more or less to wind up old business and put through emergency business. Why did he not get his government, which was in power for 22 years, to do that?

Mr. Stuart (Charlotte): The hon. member has asked me a question, Mr. Speaker.

Some hon. Members: Sit down.

Mr. Stuart (Charlotte): The hon. member has asked me a question. Does he want it answered?

Mr. Speaker: The hon. member for Victoria-Carleton has the floor.

Mr. Stuart (Charlotte): He asked me a question. I want to know whether he wants an answer. The hon. member asked me why the government I supported—

Mr. Montgomery: You can speak later.

Mr. Stuart (Charlotte): Do you want my answer?

Some hon. Members: Sit down.

Mr. Speaker: Order.

Mr. Stuart (Charlotte): It is all right if you do not want an answer. I can answer.

Mr. Speaker: Will both members please resume their seats. We can have only one member speaking at a time in this house. The hon. member for Victoria-Carleton has the floor and unless he wishes to concede it while the hon. member for Charlotte answers the question he must be allowed to continue.

Mr. Montgomery: I am sorry, Mr. Speaker; I did not notice you standing or I would have sat down. I think I answered the hon. member's question and there was no need for a second answer.

Mr. Stuart (Charlotte): Excuse me; you asked me a question.

Mr. Sinclair: A purely rhetorical question.

Mr. Montgomery: I am going to support this legislation because it is part of the program. I am justified in doing it because my people voted for that type of program and I am very glad they did. I am very happy to be able to stand up here and say it is not a hand-out to the west; therefore, I am supporting it.

Mr. Peter Stefura (Vegreville): Mr. Speaker, I also rise to speak briefly in support of this bill having to do with cash advances on farm-stored grain. I must agree with the hon. member who just took his seat that this is not a cure-all for the entire agricultural situation as we find it today. The conditions that the farmers find themselves in, are such, that a bill of this type or something similar to it had to be introduced if the farm people were to pull through. This bill having to do with cash advances is perhaps the quickest and the best way to get much needed money into the hands of the farming people to enable them to carry on until such time as the grain is moved or until such time as the government is able to bring about further agricultural policies to solve the difficulties or to aid the agricultural industry.

I have listened to the Liberal members with a great deal of interest and although I have never been in this house before I am sure that under no conditions have I ever heard more words spoken nor have I read more words in *Hansard* against a bill; at the same time heard arguments that the bill did not go far enough, or that the measure was not good enough, and at the same time not committing themselves to any policy of their own, or taking any definite stand.

Every time some long-winded politician—and I cannot think of anything else to say—would rise to his feet and speak his piece in the allotted time that he had, he would qualify every statement that he made, and every statement had a double meaning. He would also leave enough loopholes to enable one to drive a bulldozer through them before he got down to anything definite. We saw the former minister of agriculture do that today. I suppose if somebody questioned him, the hon. member for Melville, whether black was white he would stand up and say no, that white was black. We have seen that happen a number of times today.

It was not until I listened to and later read the speech of the hon. member for Russell (Mr. Gour) that I was able to get a good idea of what the Liberals were trying to put across, what their ideas were and what their stand actually is on this question. It is not my intention to take the hon. member's speech apart. Instead, I should like to congratulate him because he was very brief and to the point and I believe very honest when he said what he did. As I have said, it is not the individual member whom I wish

to attack. As found on page 377 of *Hansard* of October 24, these are his words:

> In my time in the house and prior the Liberal government provided large amounts of money to help the people of the west when they had no crops. At that time the federal government gave many millions of dollars to help the farmers who were in a bad position. In 1947, I think, we voted, and I was in favour of it, for a Liberal government measure that gave the western farmers $65 million and we did so because of the price of wheat at that time.

I should like briefly to bring out that it was not a matter of the price of wheat alone at that particular time. The $65 million and, indeed, a lot more than that, actually belonged to the farm people. Tonight a member stood up and said that he would not vote for this measure because it would only assist one particular group of people, the western farmers. I have one question I should like to ask him that he might answer when he has an opportunity to do so. When a bill was passed that took away about $500 million from the farm people under the British wheat agreement was that money taken away from all the people? Wheat was also sold in Canada at that time at the same price. Was that money taken away from all the people or only from the western producers?

An hon. Member: Let him answer.

Mr. Stefura: The bill to provide cash advances only involves a small amount of money. I should like to go back to the British wheat agreement which resulted in the farmers losing a lot of money and refresh the minds of some of the Liberal members, especially those who say that the measure now before us has the appearance of just being something for the western farmer. Under the British wheat agreement we sold wheat to Great Britain at less than the world market price. The net result was that the farmers of Western Canada lost $431 million. At the same time the farmers sold wheat to Canadian mills and Canadian consumers at the same price that they sold wheat under the British wheat agreement and they lost a further $136 million. That was a total loss of approximately $568 million to the farmers of western Canada.

The $65 million mentioned in the speech of the hon. member for Russell belonged to the farmers of western Canada whom we are trying to help today. A lot more belonged to them. I know the arguments that have been made. I heard some of them put forward by the former minister of agriculture today. He referred to the Agricultural Prices Support Act and the amount of help the former government gave the farming industry as a whole. I should like to put on record what that amount is and to do so I wish to refer to an article taken from the *Wheat Pool Budget* of September 21, 1956. It is in these words:

> The annual report of the agricultural prices support board brings the record up to March, 1956, and shows that in ten years since 1946 the cost of the board's program has been just over $89 million.
>
> Of this amount the greatest part—$70 million—was spent on the support operations that were put into effect for beef and pork to prevent the foot-and-mouth disease outbreak of 1952 from slashing returns to producers.

That money, I may say, should not have come from the agricultural prices support boards; there should have been an emergency fund of some sort from which it could have been taken.

> For the rest, the ten year record shows $8½ million of cost for butter supports since 1949; $6.7 million for apples, and $2 million for potatoes.

Then there are a few more items.

> Leaving aside the foot-and-mouth crisis, then, in ten years price supports have cost the treasury less than $2 million per year or about 15 cents per person per year.

That is the great amount that the former minister of agriculture provided for western agriculture. I should like to refer further to the speech of the hon. member for Russell because here we see the truth actually brought out by him. As found on page 377 of *Hansard* he went on to say:

> Last year we took steps to protect the banks so far as losses might be involved in lending money to the people of the west who needed it.

I most certainly agree with him and I must say that the hon. member was very honest when he says that is exactly what was done. It is interesting to hear Liberals stand up on the floor of the house and finally admit the truth. The hon. member for Melville (Mr. Gardiner) took about an hour to defend the Prairie Grain Producers Interim Financing Act and the fact that the farmers had to pay the banks 5 per cent interest. We have a bill before us now that is different. It may not give any more help but at least it is such that it is on the side of the farm people and not on the side of the banks. It does appear that the Liberals are more concerned about protecting the banks and other such institutions that today have more protection than any other industry. They are much more worried about the banks not getting their 5 per cent interest than they are about the farmers who today find themselves in rather dire straits. That is a fact that we of the west have known all our lives. It is interesting to hear it on the floor of the House of Commons. It is interesting to hear those who have perpetrated that crime admit it on the floor of the House of Commons.

On motion of Mr. Stefura the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask the government leader what the business of the house is for tomorrow.

Mr. Green: Mr. Speaker, tomorrow we shall continue this debate and then go on with the resolutions standing in the names of the Minister of National Health and Welfare and the Minister of Veterans Affairs.

Mr. Chevrier: May I ask—

Mr. Green: I should say we are going to go into committee on the bill we are discussing once it has had second reading.

Mr. Chevrier: May I ask if there is any intention of going back to the speech from the throne debate during the course of this week?

Mr. Green: That will depend on how long it takes to get these measures through.

At ten o'clock the house adjourned, without question put, pursuant to standing 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:

IMPERIAL WAR VETERANS' WIDOWS

Question No. 2—**Mr. Hahn:**

How many widows of imperial war veterans are resident in Canada for more than 10 years but whose husbands predeceased them before they became eligible for the war veterans allowance, as provided for under the War Veterans' Allowance Act?

Answer by: **Hon. A. J. Brooks (Minister of Veterans Affairs):**

8,600 (estimated).

WAR VETERANS—ALLOWANCES AND PENSIONS

Question No. 3—**Mr. Hahn:**

1. How many war veterans in Canada are over the age of 60 years?
2. How many single and married veterans received the war veterans pension in the past year?
3. What is the total of war veterans allowance paid them in the past year?
4. What was the total cost of administration of the pensions given under the means test to these veterans?
5. What is the estimated cost of placing all veterans over the age of 60 on a war veterans allowance pension?

Answer by: **Hon. A. J. Brooks (Minister of Veterans Affairs):**

1. 207,000 (estimated).

2. At March 31, 1957, war veterans allowance was being paid, (a) at single rate to 15,696 veterans; (b) at married rate to 23,994 veterans.

3. War veterans allowance paid to veterans only during fiscal year 1956-57: $31,140,437.

4. During fiscal year 1956-57, administrative expenditures for the war veterans allowance board amounted to $146,368. Certain additional expenses are incurred by district authorities which are established in each D.V.A. district to deal with and adjudicate on all applications, revisions, suspensions and cancellations of war veterans allowances. The district authorities consist of departmental employees who are drawn from the staff of various branches. Their activity in administering war veterans allowances cannot be precisely separated from their other functions.

5. In the fiscal year 1957-58, the estimated additional cost is, at current rates and ceilings, $184,000,000.

DEATH SENTENCES

Question No. 25—**Mr. Christian:**

1. During the last 10 years how many persons (a) have had the death sentence imposed upon them in Canada; (b) have actually been hanged?
2. During each of these years how many persons have had their death sentence commuted?

Answer by: **Hon. E. D. Fulton (Minister of Justice):**

1. 1947 to 1956 inclusive: (a) 223; (b) 95.

2. 1947, 3; 1948, 5; 1949, 6; 1950, 3; 1951, 3; 1952, 8; 1953, 6; 1954, 4; 1955, 9; 1956, 5.—total 52.

LOBSTER LICENCES, MARITIME COUNTIES

Question No. 43—**Mr. Robichaud:**

What was the total number of lobster licences issued in each of the following counties, during the period January 1 to September 30, 1957: Charlotte, Westmorland, Kent, Northumberland, Gloucester, Restigouche?

Answer by: **Hon. J. A. MacLean (Minister of Fisheries):**

*Charlotte	536
Westmorland	833
Kent	1,062
Northumberland	370
Gloucester	724
Restigouche	113

* As season in Charlotte county opens in fall figure is for period October 1, 1956, to September 30, 1957.

LOBSTER CANNING, ETC., GLOUCESTER COUNTY, N.B.

Question No. 44—**Mr. Robichaud:**

1. What was the total number of cases of canned lobsters processed in Gloucester county, New Brunswick, during the months of May and June, 1957?
2. What was the approximate number of cases of canned lobsters processed in the same area, during the months of August and September, 1957?
3. What was the total number of lobster traps destroyed or confiscated, during the period August 1 to September 30, 1957, in waters adjacent to Gloucester county, New Brunswick?

Answer by: **Hon. J. A. MacLean (Minister of Fisheries):**

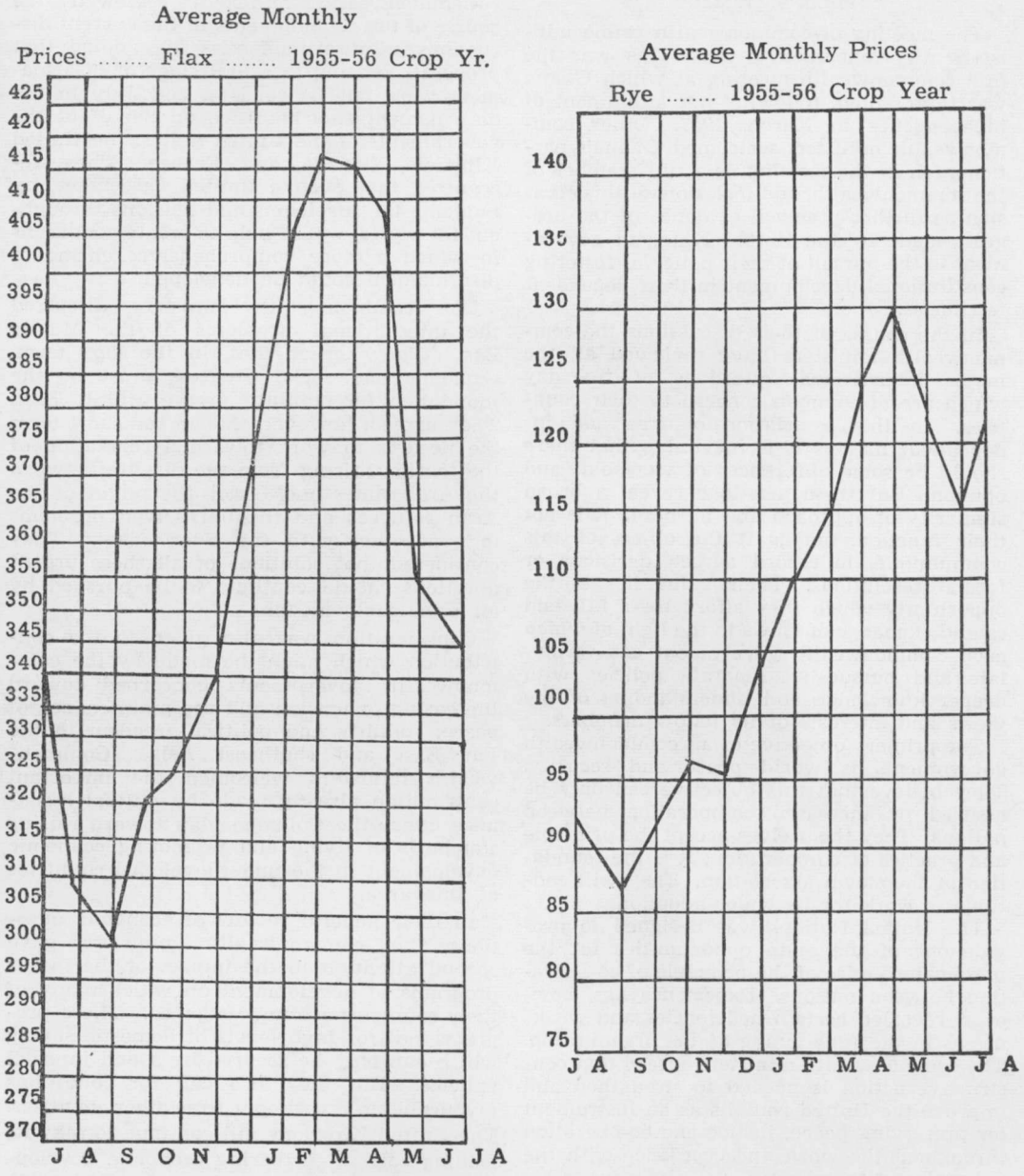
1. 9,614 cases on basis of 48-1 lb. cans to a case.

2. Nil.

3. 2,175.

APPENDIX "A"

GRAPH SHOWING PRICE TRENDS OF FLAX AND RYE FOR CROP YEAR 1955-56.



Source: Coarse Grains Quarterly.

Sanford Evans Grain Trade Year Book

APPENDIX "B"

Text of communique issued at close of conference of commonwealth prime ministers, held in London, June 26 to July 5, 1957.

FINAL STATEMENT

The meeting of commonwealth prime ministers was concluded to-day. This was the first commonwealth meeting at which Ghana was represented, following her attainment of independence in March, 1957. Other commonwealth ministers welcomed Ghana's participation in the meeting as a full member of the commonwealth, and took note of this occasion as further practical evidence of the progress made by the United Kingdom government in the pursuit of their policy of fostering constitutional development in their dependent territories.

In the course of their discussions the commonwealth ministers have reviewed all the major international questions of the day which are of common concern to their countries. In this association of free and independent nations it is inevitable that there should be some differences of viewpoint and opinion. But these meetings reveal a broad similarity of approach and purpose. It is not their function, nor is it the object of this communiqué, to record agreed decisions or formal resolutions. Their value lies in the opportunity which they afford for a full and candid exchange of views in the light of which each commonwealth government can formulate and pursue its separate policies with deeper knowledge and understanding of the views and interests of its fellow members.

The primary objective of all commonwealth governments is world peace and security. They believe that this objective can only be assured by increased co-operation between nations. They themselves accept the principle and practice of co-operation; it is the foundation of their own association. They will continue to work for its wider adoption.

The United Nations was designed to provide one of the main opportunities for the practical exercise of the principle of co-operation between nations. Experience has, however, revealed certain deficiencies and weaknesses in the functioning of the organization. The commonwealth ministers agreed that constructive action is needed to strengthen and improve the United Nations as an instrument for preserving peace, justice and co-operation throughout the world in accordance with the principles of the charter.

In discussion of developments since their last meeting, commonwealth ministers expressed their grave concern at the tragic events in Hungary. They took note that the forthcoming consideration by the general assembly of the report presented by its special committee will provide the occasion for the United Nations to record its views.

Commonwealth ministers reviewed the course of the developments in the current discussions on disarmament. They noted that proposals relating to a first stage of disarmament were put forward on 2nd July in the disarmament subcommittee on behalf of the governments of the United States, the United Kingdom, Canada and France. They recognized that even a limited agreement, by reducing the suspicions and tensions throughout the world, would help to create conditions in which a more comprehensive scheme of disarmament could be developed.

The commonwealth ministers discussed the international problems of the Middle East. They agreed that, in the long term, economic and social progress must be the foundation for stability in the Middle East. They agreed, however, that in the short term the need is to work toward a relaxation of the tension arising from the dispute between the Arab states and Israel, the plight of the Arab refugees and the unresolved problems in connection with the Suez canal. They considered that solutions of all these urgent questions should continue to be pursued by all practicable means.

Consideration was also given to the contribution which might be made by the commonwealth governments concerned toward the easing of tension and the maintenance of peace, stability and political freedom in the Far East and southeast Asia. Commonwealth ministers welcomed the important contribution already made by mutual assistance under the Colombo plan toward raising standards of living and promoting economic development in the underdeveloped countries of this area.

In their general review of economic questions the commonwealth ministers gave special attention to the impact of the major programs of development on which many of their countries are now engaged. These programs call for high levels of domestic saving which can only be secured by sound internal policies. But they also call for conditions favourable to investment from other countries. The United Kingdom will continue to play its leading role in furthering economic development in the countries of the commonwealth, and important contributions are also being made by other commonwealth members. But, in view of the continued need for capital investment, it is also important to encourage

investment from other sources on suitable conditions.

The commonwealth ministers noted the progress made since their last meeting toward the freeing of trade and payments. In this context they discussed the proposals for the creation of an industrial free trade area in Europe as a complement to the European economic community to be set up under the treaty of Rome. They agreed that, as part of the continuous exchange of views between commonwealth governments on these matters, particular aspects of the proposals which might specially affect certain countries of the commonwealth should be examined in London next week by officials of all commonwealth countries in the light of the ministers' discussions.

The commonwealth ministers noted that the annual meeting of the international monetary fund and the international bank for reconstruction and development will be held in Washington in September. The normal practice is for this meeting to be followed by a meeting of commonwealth finance ministers. The Prime Minister of Canada extended an invitation that this meeting of finance ministers should be held this year in Ottawa.

The commonwealth ministers recognized the value of the work carried out over the past thirty years by the commonwealth economic committee. They agreed that the committee should be invited to examine and suggest to governments what expansion of its scope and functions might usefully be undertaken for the particular purpose of drawing attention to the economic resources of commonwealth countries.

The commonwealth ministers reviewed the progress of co-operation within the commonwealth in the use of nuclear energy for civil purposes. They recognized the growing importance of the contribution which nuclear energy can make to the peaceful development of their countries and of the rest of the world and the value of close collaboration between members of the commonwealth in this field. For this purpose nuclear scientists from commonwealth countries will be invited to an informal meeting in the United Kingdom in 1958.

The commonwealth ministers noted that the federation of Malaya was on the eve of attaining independence. They extended to the federation their warm good wishes for its future, and they looked forward to being able to welcome an independent Malaya as a member of the commonwealth on the completion of the necessary constitutional processes.

London,
5th July, 1957.

HOUSE OF COMMONS

Tuesday, October 29, 1957

The house met at 2.30 p.m.

PRIVILEGE

MR. MARTIN (ESSEX EAST)—REFERENCE TO REMARKS OF PRIME MINISTER IN TELEVISION ADDRESS

Hon. Paul Martin (Essex East): Mr. Speaker, I rise on a question of privilege. Last night the Prime Minister spoke to the nation over the television facilities of the Canadian Broadcasting Corporation, and in the course of that speech he made an announcement of government policy. He referred to the effective date when various amendments to social security measures would be applied in Canada.

I submit to you, sir, that it is within the traditions and practices of parliament that announcements of government policy, while the house is in session, should be made in parliament. I should have thought, Mr. Speaker, that such an announcement by one who in the past has so often regarded himself as one of the champions of parliament would not have been made by that particular right hon. gentleman. I think my question of privilege, sir, is well founded, particularly in view of the fact that on October 22 the hon. member for Winnipeg North Centre (Mr. Knowles)—

Mr. Knowles (Winnipeg North Centre): At page 248.

Mr. Martin (Essex East): —at page 248 of *Hansard* asked this question of the Minister of National Health and Welfare:

> Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of the fact that in the resolutions of which he has given notice calling for amendments to the Old Age Security Act and related statutes he has been good enough to give us all the other details, can he now tell us what is to be the effective date?

The reply of the Minister of National Health and Welfare was as follows:

> Mr. Speaker, the effective date will appear in the legislation when the bill appears before the house.

Surely last night's statement by the Prime Minister is a violation of the right hon. gentleman's own counsel, and obviously a violation of the rights of parliament.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I must say that my hon. friend is apparently hard pressed to find something to which to object—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: —in order to bring his name before the Canadian public at a time when he is most anxious to have it brought before the public. Any statement I made last evening was a statement which, with the exception of one item, was covered by the resolution. I am one who does not follow a script too closely, and if in a momentary indiscretion I pointed out that it was the intention of the government to have this social security measure begin on November 1, I am sure nobody was harmed.

An hon. Member: What about this house you profess to love so much?

Mr. Diefenbaker: Let me say this. If at any time this side of the house or this government commits no more serious indiscretion, if it is such, than happened last night, the people of Canada will continue to be well satisfied with this government; and the opportunity will not be too long delayed to give them that chance to indicate whether or not they were shocked last evening by the revelation which disturbed the hon. gentleman.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, obviously, since I had the relevant page of *Hansard* open, it was my intention to raise the same question of privilege, believing as I do that the Prime Minister feels that the supremacy of parliament should be maintained.

However, now that the point has been raised and now that the Prime Minister has given over the television network information which his colleague in the cabinet would not give in the house, will he tell us what is meant by "an effective date of November 1"? In terms of what cheque will the increase be effective? Will the cheque at the first of November or the cheque at the end of November be in the full amount of $55?

Mr. Speaker: I think the question of privilege has been sufficiently stated and commented on, and questions should be deferred till later.

Inquiries of the Ministry

Mr. Knowles (Winnipeg North Centre): I shall be quite satisfied to have an answer on the orders of the day.

INDUSTRIAL RELATIONS

PROVISION OF ANNUAL VACATIONS WITH PAY FOR EMPLOYEES IN FEDERAL WORKS

Hon. Michael Starr (Minister of Labour) moved for leave to introduce Bill No. 16, to provide for annual vacations with pay for employees in public works, undertakings and businesses.

Some hon. Members: Explain.

Mr. Starr: Mr. Speaker, the purpose of this bill is to provide annual vacations with pay for employees in federal works, undertakings or businesses as covered by the Industrial Relations and Disputes Investigation Act, the fair employment practices act and the equal pay act. This bill provides for one week's vacation after the first year of employment and two weeks' vacation after the second year of employment.

Motion agreed to and bill read the first time.

SOCIAL SECURITY

REQUEST FOR EFFECTIVE DATE OF AMENDMENTS TO ACTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wonder if the Prime Minister would now answer my question arising out of the announcement he made last night as to which cheque, in the case of old age security for example, will be in the full amount of $55, the cheque to be received at the beginning of November or the cheque to be received at the end of November?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, while I am not one of the recipients, I do not think the cheques are received at the first of the month. The cheques are received at the end of each month. The first payment, providing that this house goes ahead and passes the legislation, will be provided for at the end of November, thereby commencing the payment of the addition as of the 1st of November.

Mr. Knowles (Winnipeg North Centre): Why not make it clear? It is the cheque at the end of November, not the cheque at the first of the month, which will include the increase.

Mr. Gauthier (Portneuf): He was putting on a show; that was all he was doing.

[Mr. Speaker.]

NATURAL RESOURCES

INQUIRY AS TO NATIONAL DEVELOPMENT POLICY

On the orders of the day:

Hon. Jean Lesage (Montmagny-L'Islet): Mr. Speaker, I would like to direct a question to the Minister of Northern Affairs and National Resources. Is it his intention to outline to the house the national development policy which is mentioned in the speech from the throne during the current debate on the said speech?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, in answer to the hon. member for Montmagny-L'Islet, I think this will be shown in due course.

Mr. Lesage: A supplementary question, Mr. Speaker. Does the minister intend to deal with the subject piecemeal as he has been doing outside of the house since his appointment to the cabinet?

An hon. Member: He has done better than his predecessor.

FRUIT

BRITISH COLUMBIA—REQUEST FOR PAYMENT OF COMPENSATION TO APPLE GROWERS

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 Agriculture, and I do so in a spirit of continuing co-operation with one of his colleagues.

In view of the fact that one of the minister's cabinet colleagues, representing a British Columbia fruit growing district, last year urged the government to compensate the tree fruit growers of British Columbia for their loss of 48 cents per box on the 1955 crop by the granting of a subsidy of not less than 25 cents per box, is the government now giving favourable consideration to the hon. gentleman's representations?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I wish to thank the hon. gentleman for giving me notice of this question. The short answer to it is "no", but I think perhaps I should say a word of general explanation in connection with this matter.

Representations have been received from the British Columbia fruit growers' association and others requesting special grants to compensate British Columbia apple growers for losses alleged to have been suffered by reason of low prices for apples in 1955.

A review of the situation discloses the following facts. The average farm value of apples in British Columbia in 1954 was $1.24

per bushel. In 1955 the corresponding figure was 72 cents. In 1956 the farm value rose to $1.34 per bushel, the highest in the past 10 years. These figures are all substantially higher than the average farm value of apples for all Canada in the corresponding years.

In the light of these facts and the relative position of British Columbia apple growers compared with those in other parts of Canada, it does not seem possible or practicable to offer any special compensation to British Columbia growers.

INTERNATIONAL LABOUR ORGANIZATION

INQUIRY AS TO APPOINTMENT OF DELEGATE REPRESENTING MINE WORKERS

On the orders of the day:

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, I should like to direct a question to the Minister of Labour. This question has to do with the industrial committee of the international labour organization, which concerns itself with the social and economic problems of the hard rock mining industry, and which meets in Geneva on November 25 of this year.

Has the minister invited the international union of mine, mill and smelter workers of Canada, which represents about 90 per cent of the employees in the hard rock industry, to appoint a delegate to this conference?

Hon. Michael Starr (Minister of Labour): No, Mr. Speaker. The two delegates who have been appointed to the international labour organization conference are Mr. Pat Burke, of the united steel workers of America, from Noranda, and Mr. Henry Schellenburg, of the base metal workers, federal union No. 172, from Flin Flon, Manitoba. Both these men have been nominated by the Canadian Labour Congress.

Mr. Byrne: Will the minister agree to give further consideration to this matter, since I have already outlined its importance?

Mr. Starr: Mr. Speaker, the delegates have already been nominated, and since the Canadian Labour Congress is the most representative labour body in Canada we asked them for the recommendations.

TELEVISION

YORKTON, SASK.—INQUIRY AS TO ERECTION OF TOWER

On the orders of the day:

Mr. G. H. Castleden (Yorkton): Mr. Speaker, I should like to direct a question to the Minister of Transport. Has his department yet granted a permit for the erection of a television tower in the vicinity of the city of Yorkton?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, the application referred to by the hon. member has been approved.

FINANCE

INQUIRY AS TO REVENUES FOR NEXT 12 MONTHS

On the orders of the day:

Mr. F. C. Christian (Okanagan Boundary): Mr. Speaker, I should like to direct a question to the Minister of Finance, of which I have given him notice.

In view of the fact that the Minister of Finance has indicated that no budget will be introduced this session, does he expect that the government tax revenues for the next 12 months will be equal to or in excess of those of the last 12 months?

Mr. Speaker: Order. I think the hon. member will recognize that this is a budgetary matter. It would be properly left to be dealt with when the Minister of Finance deals with budgetary matters, and is not properly asked on the orders of the day.

I take it that the hon. member for Okanagan Boundary feels he has a question of fact which the minister could answer. If he would rephrase his question, or consider rephrasing it, I will give him another opportunity.

Mr. Christian: A supplementary question. Is there going to be a budget? If so, when may we expect it?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I am sure the hon. member knows that whenever a minister of finance is ready to introduce a budget he usually gives the house a few days' advance notice of the fact.

TRANSPORT

ST. LAWRENCE RIVER-NEW YORK—REQUEST FOR DEEPENING OF WATERWAY

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Yesterday, the hon. member for St. Antoine-Westmount (Mr. Marler) asked me a supplementary question regarding the meeting which I understand was held in Sorel on Sunday. His question was:

> Was the government represented at this meeting? If so, by whom? Was any statement of policy made by the representative of the government?

The answer is, I have checked with my own department, the Department of Public Works and the Department of External Affairs, the three departments which I believed might have had representatives at such a meeting. I found that no government representative did attend the meeting and that no statement of policy was made.

Inquiries of the Ministry

Hon. George C. Marler (St. Antoine-Westmount): Mr. Speaker, I should like to ask the Minister of Transport whether the reported presence of the Minister of Mines and Technical Surveys has escaped his attention?

Mr. Hees: No, it has not. The Minister of Mines and Technical Surveys was attending the meeting simply as an interested member of parliament doing a good job for his constituency, visiting the meeting in the adjoining riding, and he assures me that he made no statement of policy on behalf of the government or on behalf of himself.

LABOUR CONDITIONS

ATOMIC ENERGY OF CANADA—INQUIRY AS TO LAY-OFF OF EMPLOYEES

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, I should like to direct a question to the parliamentary assistant to the Minister of Trade and Commerce. Is it the case that employees in the commercial products division of Atomic Energy of Canada Limited are being laid off?

Mr. Thomas M. Bell (Parliamentary Assistant to the Minister of Trade and Commerce): Mr. Speaker, my information is that there may be some laid off in the near future, but this number will probably be only five to ten. The reason is that in recent months orders for cobalt beam therapy units and certain other miscellaneous items of equipment manufactured by the commercial products division of Atomic Energy of Canada Limited have not been as large as had been anticipated. In addition, the general state of the market suggests that it would be imprudent to anticipate an early substantial increase in the number of orders for these items.

Mr. Stewart (Winnipeg North): If I may I should like to ask a supplementary question. Have these workers been recently certified, and have they asked the company to meet them in order to open negotiations?

Mr. Bell (Saint John-Albert): Mr. Speaker, the workers have been certified and they have asked for a meeting. I understand that it will be held within the next few days.

CORNWALL—REFERENCE TO STRIKE AT MILL OF CANADIAN COTTONS

On the orders of the day:

Mr. A. P. Lavigne (Stormont): Mr. Speaker, I should like to direct a question to the Minister of Labour. Is the minister aware that a strike of 1,300 employees of Canadian Cottons Limited mill at Cornwall has taken place? Will the minister tell us whether he can do anything to bring about a quick settlement of this dispute?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, in answer to the hon. member's question may I say that I am aware of this lay-off. However, I wish to remind the hon. member that this matter comes under the jurisdiction of the province of Ontario, and that there is not much the federal government can do in such a dispute.

Mr. Lavigne: I wish to advise the minister that it is not a lay-off; it is a strike.

Hon. Lionel Chevrier (Laurier): May I ask the Minister of Labour a supplementary question arising out of the one which was just asked. In view of the fact that textile mills are to be found in several provinces, and in view also of the fact that the government seems to have taken an interest by virtue of the reference tabled in the house by the Minister of Finance, I now ask the Minister of Labour whether he does not think it advisable to co-operate with the province by sending one of his investigators to ascertain whether these parties cannot be brought together?

Mr. Starr: Mr. Speaker, the federal Department of Labour is always willing to co-operate with the provinces in settling disputes. We should like to do that, provided the provinces request that such help be given them in the matter of disputes.

CANADIAN NATIONAL RAILWAYS—REPORTED LAY-OFFS AT TRANSCONA AND FORT ROUGE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, is the Minister of Transport aware of the reports that are current in Winnipeg that 34 men are to be laid off from the Canadian National shops at Transcona each month between now and June, together with eight men to be laid off each month from the Fort Rouge shops? What steps is the government taking to prevent these lay-offs?

Hon. George H. Hees (Minister of Transport): I do not believe the hon. member would expect me to know the exact number of lay-offs that might take place on the whole Canadian National system from time to time. I am very glad he has advised me of the situation, and I shall inquire into it.

MONTREAL—REPORTED PLAN FOR MARCH ON OTTAWA

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I would like to address a question to the Minister of Labour. Would the minister inform the house if he has received from labour organizations in Montreal a telegram or communication stating that if immediate legislation is not adopted to curtail unemployment a march on Ottawa will be organized?

Hon. Michael Starr (Minister of Labour): No, Mr. Speaker, I have not received any communication of the nature to which the hon. member refers.

KITIMAT—REPORTED CLOSING OF CONSTRUCTION OPERATIONS

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I would like to address a question to the Minister of Labour. Is the minister aware that the Saguenay-Kitimat Company in Kitimat yesterday closed its entire construction operations, resulting in the lay-off of approximately 1,500 people, which situation will remain in effect for probably a year or a year and a half. If so, is he undertaking any steps through the national employment service or the unemployment insurance commission to assist these people in being absorbed into other industries and, if not, are steps being taken to provide them with immediate means as far as unemployment insurance benefits are concerned?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I am not aware of the lay-offs to which the hon. member refers, but I assure him I will look into the situation and put all of the resources of the Department of Labour to work in order to help those who may be in need of assistance at the moment.

Mr. Howard: If I could follow up that question, I would like to direct a question to the Minister of Public Works. In view of the situation to which I have just referred concerning the lay-off and resulting unemployment in Kitimat and the extreme housing shortage that exists in Kitimat for production employees in the Alcan plant, will the minister undertake to release or make available through Central Mortgage and Housing Corporation additional money and facilities to assist in absorbing these unemployed people who are construction workers, and also assist in correcting the housing shortage?

Inquiries of the Ministry

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, there is no provision under the National Housing Act for undertaking a program of that kind. The present plan of providing $150 million for lower cost homes is of course available and we will be very glad to consider any application coming under any other provision of the act. I know of no way in which we can move in, in the way the hon. member suggests.

DOMINION-PROVINCIAL CONFERENCE

REQUEST FOR TABLING OF CORRESPONDENCE WITH PROVINCIAL GOVERNMENTS

On the orders of the day:

Hon. George C. Marler (St. Antoine-Westmount): Mr. Speaker, I should like to direct a question to the Prime Minister. Can he tell us when it is the intention of the government to lay on the table the correspondence with the provincial governments concerning the forthcoming federal-provincial conference?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I will see that that is done tomorrow.

PUBLIC WORKS

NOVA SCOTIA—BREAKWATER-CAUSEWAY BETWEEN MAINLAND AND PORT HOOD ISLAND

On the orders of the day:

Mr. A. J. MacEachen (Inverness-Richmond): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Can the minister tell the house what progress has taken place in reaching agreement with the province of Nova Scotia for the construction of the breakwater-causeway between the mainland and Port Hood island in Nova Scotia? If any progress has been made, when can we expect construction of this extremely important project to begin?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I received a copy of the hon. member's question just as I came into the house. I shall have to take it as notice.

NEW BRUNSWICK-PRINCE EDWARD ISLAND—INQUIRY AS TO INVESTIGATION INTO CAUSEWAY

On the orders of the day:

Mr. Henry Murphy (Westmorland): Will the Minister of Public Works inform the house what progress is being made in the investigation of the proposed causeway from Westmorland county, New Brunswick, to Prince Edward Island, or has this investigation been dropped?

Inquiries of the Ministry

Hon. Howard C. Green (Minister of Public Works): Studies are being made by officials of the department of this prospective project. I am not in a position as yet to make any definite announcement.

HEALTH INSURANCE

REPLY TO LETTER FROM PREMIER OF MANITOBA

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to direct a question to the Prime Minister. Has he yet been able to ascertain whether a reply has been made to the letter from the premier of Manitoba with respect to hospital insurance, about which I made inquiry on Friday?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, a reply has been drafted. Whether or not it has been sent is something I cannot say without inquiry.

Mr. Pickersgill: I should like to ask a supplementary question. Is it true that the premier of Manitoba wrote a second letter asking for a reply?

Mr. Diefenbaker: I think the hon. member could find that out by asking the premier of Manitoba.

Some hon. Members: Oh, oh.

DATE WHEN FEDERAL CONTRIBUTION MAY BE EXPECTED

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. Since Premier Frost seems to be counting on federal money for the Ontario hospital plan by January 1, 1959, is it clear that the other provinces having plans in operation can count on federal money for their plans by at least the same date?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, it would seem logical that all provinces would count on receiving money as soon as agreements are signed and we come to a decision as to when the plan goes into effect.

AIRPORTS

MEDICINE HAT, ALBERTA—INQUIRY AS TO ENLARGEMENT

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): I should like to direct a question to the Minister of Transport, of which I have sent him notice. Has the Department of Transport any plans under consideration for the enlargement of the Medicine Hat airport to accommodate larger aircraft?

[Mr. Murphy (Westmorland).]

Hon. George H. Hees (Minister of Transport): Yes, Mr. Speaker. I want to thank the hon. member for his kindness in giving me notice of his intention to ask this question. Consideration is presently being given to the inclusion of an item in next year's estimates for the lengthening of runways at the Medicine Hat airport.

RESEARCH AND DEVELOPMENT

INQUIRY AS TO PARTICIPATION OF CANADA IN ANGLO-AMERICAN GROUP

On the orders of the day:

Hon. L. B. Pearson (Algoma East): I should like to direct a question to the Minister of National Defence, as to whether Canada is to be included in the agreement between the United Kingdom and the United States, as reported in the press today from Washington, to divide the responsibility for developing future atomic weapons, and to share the information obtained in their separate research and development?

Hon. G. R. Pearkes (Minister of National Defence): I shall be pleased to take that question as notice.

TRADE

FISH—INQUIRY AS TO NEWFOUNDLAND EXPORTERS ASSOCIATION

On the orders of the day:

Mr. L. T. Stick (Trinity-Conception): I should like to direct a question to the Minister of Trade and Commerce or, in his absence, to his parliamentary assistant. What action, if any, is contemplated by the government regarding the Newfoundland Associated Fish Exporters Limited, otherwise known as Nafel?

Mr. Thomas M. Bell (Parliamentary Assistant to the Minister of Trade and Commerce): In the absence of the minister I shall have to take this question as notice.

THE SENATE

INQUIRY AS TO APPOINTMENT OF NATIVE INDIAN

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct this question to the Prime Minister. What action or steps are to be taken to arrange for the naming of a native Indian to the Senate?

Right Hon. J. G. Diefenbaker (Prime Minister): While I do not think the question is strictly a proper one, Mr. Speaker, I do want to answer it. Over the years I have believed that the Indian population of Canada deserves representation in the parliament of Canada.

There are some 200,000 Indians; and while the time may come when one or more might be elected to the House of Commons, that time is still far distant. I want to see an appointment made at the earliest possible date of a native Indian so that representation in parliament may be provided for these, our very first citizens.

Mr. Howard: I wonder if the Prime Minister—I may not be asking this question in the right place—would consider so amending the British North America Act as to remove some of the present real estate qualifications for membership in the other house, inasmuch as many native Indians will not be able to qualify. This would broaden the field for selection.

Mr. Speaker: I think the hon. member was fortunate in getting an answer to his first question. I hope he will not press for one to the second question.

Mr. Harold E. Winch (Vancouver East): May I ask a supplementary question. Can we take this answer as an indication that the Prime Minister is going back on the speech he made in Prince Albert and Calgary during the campaign, that if he was elected as head of the government he would immediately name an Indian to the Senate? I have copies of his speech here.

Mr. Speaker: I think the hon. member will appreciate that a similar question has been answered.

PARLIAMENT HILL

PARKING FACILITIES FOR MEMBERS AND EMPLOYEES OF HOUSE OF COMMONS

On the orders of the day:

Mr. Solon E. Low (Peace River): Mr. Speaker, I normally would have put what I have to say in the form of a question, but I do not know to whom I should address such a question. Consequently I am going to raise this as a matter of privilege. I refer to the parking situation around these grounds, which has become chaotic, to say the least, and something ought to be done about it. Members who are entitled to park their cars in and around the building very often find that they have been pushed out of their places by people who are working downtown but whose cars are parked in these grounds.

It would seem to me that whoever is in charge of the parking arrangements ought to be able to work out some method by which the members and the employees in the building could have a place to park their cars when they have to come to work. I am throwing this matter out, as I say, as one of privilege in the hope that whoever is in charge will do something to bring order out of the present chaos.

Mr. Speaker: The hon. member raises this question of privilege which seems to me to be an appropriate one. As one having to do with arrangements in the house I would ask him if he would mind taking up the matter with me and the Sergeant-at-Arms. Attention will be given to it immediately.

PUBLIC SERVICE

DEPARTMENT OF TRANSPORT—DISMISSAL OF EMPLOYEES FOR POLITICAL PARTISANSHIP

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, yesterday the hon. member for Laurier (Mr. Chevrier) asked me if I knew if an employee of the Department of Transport holding position No. 64 had been dismissed because of political partisanship on the complaint of a member of this house. I said I would inquire, and after having done so I find that the individual who held this position was dismissed, effective October 25, on the written declaration of the hon. member for Grenville-Dundas (Mr. Casselman) that this employee had been guilty of political partisanship during the last federal election.

The hon. member is in the house at the present time and would be very glad to answer questions which might be asked of him with reference to his recommendation in this regard. The man was employed in position No. 64 on May 16, 1957, on an exempt temporary seasonal basis, following a recommendation in his favour from the Liberal candidate in Grenville-Dundas county.

I said in the course of answering the hon. member for Laurier that anyone charged with political partisanship would be given an opportunity to be heard. I should have qualified this statement so far as charges of political partisanship made by hon. members of this house are concerned. I find there has been an understanding over the years that if a member of parliament certifies that to his personal knowledge an employee has been guilty of political partisanship the employee in question can be dismissed without investigation.

Some hon. Members: Oh, oh.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I presume since I raised this question I might be allowed a moment or two to discuss it on a question of privilege—

Some hon. Members: Order.

Mr. Speaker: I will certainly give the hon. member an opportunity to discuss this question, but I have already recognized the member for Rosetown-Biggar (Mr. Coldwell) who rose previously.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I might say that this comes to me as a complete surprise.

Some hon. Members: Hear, hear.

Mr. Coldwell: I have been a member of the house for 22 years, and this is the first time I have heard that a member of parliament may lay a charge of this description and, without further investigation, a man may lose his job. I think this is undemocratic.

Some hon. Members: Hear, hear.

Mr. Speaker: I am sure the hon. member who is speaking does not wish to transgress the rules of the house by entering into a debate on the matter at this time.

Mr. Coldwell: I was rising, Mr. Speaker, on a question of privilege with reference to a matter which affects all members of parliament.

Mr. Speaker: If the hon. member will state his question of privilege I will be glad to hear him.

Mr. Coldwell: My question of privilege is this. As a member of parliament who has been here for 22 years, this is the first time I have become aware of this undemocratic procedure on the part of this parliament, and as a member of parliament I want to protest against it and say that I think this practice should be discontinued immediately.

Some hon. Members: Hear, hear.

Mr. Chevrier: Since I raised the question in the first place, Mr. Speaker, I think I too should rise on a question of privilege. I would like to say that I was very careful yesterday not to mention either the name of the employee or the name of the member of parliament upon whose recommendation this person was dismissed. However, I agree with what the leader of the C.C.F. party has said in this respect, that the policy, if it is government policy—although the minister said it was one of the rules and regulations of parliament—should be discontinued.

I have looked up *Hansard* for quite a number of years and can find nothing in the rules and regulations which permits this kind of conduct. I think perhaps it is a policy that has been followed, and one that was certainly discussed in the house as far back as 30 years ago. It is time this policy should be changed, and I would ask the minister if he is going to reinstate the occupant of position No. 64. I think what he should be doing, rather than dismissing people along the canals of the Ontario St. Lawrence, which incidentally are going to be flooded out because of the St. Lawrence seaway, and many hundreds of people are going to find themselves without jobs—

Some hon. Members: Order.

Mr. Chevrier: —instead of dismissing people he should rather be finding jobs for those who will be flooded out. I ask him now, first, if he is going to reinstate the individual who was dismissed; second, will this person have an opportunity of being heard by the minister; and third, did the minister approve of this dismissal?

Mr. Speaker: The question previously was one of privilege, and the hon. member has seen fit to ask two more questions. If anyone wishes to address the house on this matter of privilege this would seem to me the appropriate time to do so.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I would now like to rise on a question of privilege. Statements have been made here and questions have been asked of the Minister of Transport. I think the minister should now be allowed to answer these gratuitous observations which have been made.

Mr. Chevrier: I rise on a question of privilege.

Some hon. Members: Sit down.

Mr. Speaker: Order.

Mr. Chevrier: I will not sit down except at the request of Mr. Speaker.

Mr. Speaker: There is one question of privilege before the house. The hon. member who is on his feet has spoken, and as I have just indicated I am prepared to hear others. I think the Minister of Transport is certainly entitled to speak to this question, but I recognized the hon. member for Grenville-Dundas (Mr. Casselman) on my right. He does not rise now; I recognize the Minister of Transport.

Mr. Hees: Mr. Speaker, I was very interested in the remark of the hon. member for Rosetown-Biggar, when he said he had been here for 22 years but had never heard this question discussed in the house. I looked back to the debates on this matter and found it had been very thoroughly discussed in this house when the hon. member was present, as I understand it, because I think he will find he took part in the debate. There seems to be some doubt in the minds of the members of

the former government that this has been a practice which was not only accepted by their government but by many governments in the past. I call as my witness in this regard no less a personage than the former minister of agriculture—the right hon. member for Melville (Mr. Gardiner)—

Some hon. Members: Oh, oh.

Mr. Hees: —who made a very interesting speech in this house on March 8, 1938, when he was minister of agriculture. That speech is recorded in *Hansard* of that date at page 1112. I quote the former minister's words:

> The question was discussed in 1911, again in 1923, and again in 1928 on the floor of the house, and so far as I have been able to follow those discussions it was admitted from all sides of the house on each of those occasions that it had been the general practice to act upon the word of a member who has a seat in this house and who can, because of that fact, answer for his recommendations upon the floor of the house. When, two years ago, I became a member of the government and recommendations of this kind were brought to my attention, I took the trouble to check back and find what the practice was, and determined to follow the practice exactly as it had been followed previously in the Department of Agriculture and other departments, at least until some change was announced in connection with the policy having to do with dismissals of this kind. And when representations were made to the department, by a member of the house, to the effect that to his own personal knowledge an employee of the department had been politically active, action was taken automatically by the departmental officials to dismiss him. I did not change the practice in any particular; I gave no instructions to them to make any change, but simply informed them they were to follow the practice that had been followed and that they should do so until such time as they received instructions to do otherwise.

I also think, Mr. Speaker, the former minister may have forgotten what a good filing system his former department has, because I looked back in the files and found a letter written by a former minister of transport, Right Hon. C. D. Howe, dated Ottawa, January 9, 1936. It was addressed to Mr. Peter Sinclair, M.P., Charlottetown, P.E.I., and reads as follows:

> I am in receipt of your letter of the 23rd ultimo with further reference to the position of wharfinger at Victoria, P.E.I.
>
> On your statement that Mr. James Gil, the present wharfinger, is convener of the poll at Victoria for the Conservative party and worked and did all he could at the last election, I have directed that his appointment be cancelled and his services dispensed with on the ground of political partisanship.

The letter ends, Mr. Speaker, with this interesting statement:

> I am directing that your nominee, Mr. Fred Inman, be appointed.

Mr. Speaker, I think it is clear from what I have said that this has been the practice which has been accepted by succeeding governments over a great many years, and that in taking the course which I have taken I have simply followed that practice.

Mr. Chevrier: Will the minister answer the questions I asked and which the Prime Minister suggested he should answer?

Mr. Hees: I have no intention of reinstating the employee referred to because it is firmly in my mind, from what I have heard, that he actively participated in partisan politics during the last election.

Mr. Chevrier: May I ask the minister this question. Will the government revise the policy which has now been in existence for upwards of 40 years?

Mr. Hees: No dismissal is made by my department until thorough investigation has satisfied the minister that the facts as stated are correct.

Mr. Chevrier: You made no investigation in this case.

Some hon. Members: Order.

Mr. A. C. Casselman (Grenville-Dundas): Mr. Speaker, it seems to me that I have heard my name mentioned in connection with the matter now before the house, and for that reason I should like to say a few words on a question of privilege, it being necessary that I put it on that basis.

The hon. member for Laurier (Mr. Chevrier), who asked this question yesterday, takes pride today in the fact that he did not name either the member who laid the charge or the individual against whom the charges were laid. I rise particularly to say that it was I who laid the charges. I made them after long and complete investigation, and I made them because I knew that they were correct. The minister was not responsible for the dismissal of this man; I am, myself, responsible; and if the house has any doubt as to the justice of the position I have taken I would refer hon. members to the issue of the Toronto *Star* which will come out this afternoon, to which paper this man gave an interview in which he said that he makes no bones of his political partisanship, that he did campaign against me, and in which he made some other comments about the situation.

Mr. Speaker, I think I am perfectly justified in having taken the action which I did take. I am not one who believes completely in the spoils system. I would say that in my riding there are 300 patronage jobs, and that outside of this position, which is partly under the civil service, I have not had any man dismissed.

Inquiries of the Ministry

Mr. Speaker: Does the hon. member for Winnipeg North Centre wish to speak on this matter of privilege?

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in connection with this matter I should like to direct a question to the Prime Minister. How does the Prime Minister square this blatant practice of patronage in reverse with the announcement made this summer by two of his colleagues that this government was going to do away with patronage, and with the support given by some hon. members of his party in the last parliament to the stand which some of us took against patronage?

Mr. Diefenbaker: There is no question of patronage here. Public servants who participate in politics certainly jeopardize their jobs. Now I think the minister—

Mr. Chevrier: May I interrupt?

Mr. Diefenbaker: I think the Minister of Transport, during the entire period of his service to date, has only had one person dismissed in his department and that is the person in question.

Mr. Chevrier: But this man is not a public servant; he is a casual employee.

Mr. Coldwell: I wonder whether the Minister of Transport will be good enough to refresh my memory with regard to the discussions to which he has referred. My memory generally seems to be very good, but I did not remember until I heard him read the document that that discussion had occurred. Could the minister confirm that the position I took today is precisely similar to the position I took in 1938? That is so, is it not?

Mr. Hees: Yes, Mr. Speaker, it is.

Right Hon. J. G. Gardiner (Melville): Mr. Speaker, as a matter of privilege because, as was stated by the hon. member for Grenville-Dundas in his case, my name has been brought into this matter, I think the record should be made complete, or as complete as my memory can make it when the documents are not before me.

I am sure the hon. member for Rosetown-Biggar requires to do a little more checking, because this question was discussed on two occasions, both of which I remember well. On one occasion it was brought up by Mr. Stevens, who had been a minister in the previous Bennett government, and on the other occasion it was brought up by the late Mr. Bennett himself.

I was accused of being responsible for the dismissal of a number of employees of the department in Prince Edward Island. On the first occasion it was brought up I undertook to search the files and make some further investigations and so on. Upon searching the files I found there were I think 20 cases where men had been dismissed for similar reasons while Mr. Bennett was in office. I had the files on my desk, the second seat straight across the aisle from here. I asked him if he desired me to read them to the house, and my memory is that he said no and the question was dismissed. I have heard nothing of it since that time until now.

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I should like to direct a question to the Postmaster General. Will the policy expressed by the Minister of Transport (Mr. Hees) affecting government employees who take an active part in political activities also apply to rural mail carriers who have been appointed following the calling of public tenders?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, I shall study very carefully the remarks of the Minister of Transport to see whether they apply.

Mr. Wesley Stuart (Charlotte): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Can the minister inform me of the source from which the recommendation came to discharge foremen on breakwaters in Charlotte county?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, if any foreman was fired on the breakwaters in Charlotte county that was done after a thorough investigation, and because he deserved to be fired.

Mr. Stuart (Charlotte): A supplementary question, Mr. Speaker. It has been suggested that these recommendations must come from a member of parliament. If I may, I would like to know the source from which this recommendation came.

Mr. Gauthier (Portneuf): No answer.

AGRICULTURE

BUTTER—DISCONTINUANCE OF REDUCED PRICE TO CHARITABLE INSTITUTIONS

On the orders of the day:

Mr. Wilfrid LaCroix (Quebec-Montmorency): Mr. Speaker, may I be permitted to direct a question to the Minister of Agriculture. Why did the government decide to withdraw the privilege granted by the last government to charitable and religious institutions of buying butter at special or reduced prices?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, this policy was put into effect by the previous government at a time

when a very considerable surplus of butter existed, for the purpose of helping to reduce that surplus. We have now moved from that position and we no longer have a surplus of butter. Under those circumstances I could see no justification for the Department of Agriculture continuing to subsidize charitable and other institutions. It seemed to me that if there was any desire or need on the part of the federal government to subsidize hospitals and other institutions it should be done specifically by a grant or by some other means, and not indirectly through the Department of Agriculture.

NATIONAL DEFENCE

R.C.A.F.—STATEMENT ON EQUIPMENT WITH CF-105 PLANES

On the orders of the day:

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, on October 22 the hon. member for Coast-Capilano (Mr. Sinclair) asked if the government is intending to proceed to equip the R.C.A.F. with the supersonic CF-105. I am now in a position to give the hon. member further information on this matter.

After full consideration of the possible threat and of alternative means of meeting that threat the government, upon the advice of the chiefs of staff, has decided now to continue the development of the CF-105 including its intended armament, the Sparrow II air to air guided missile, for a further period of one year, at which time the program will again be reviewed.

Hon. James Sinclair (Coast-Capilano): Mr. Speaker, I wonder if I could ask a supplementary question. Has the minister any idea what the extension of the program for one year will cost?

Mr. Pearkes: No, I am not in a position at the present time to say that.

TRANS-CANADA AIR LINES

WINNIPEG—MAINTENANCE AND REPAIR FACILITIES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. Can the Prime Minister say whether he gave assurances to Premier Campbell of Manitoba that there would be no reduction in the maintenance and repair facilities maintained by Trans-Canada Air Lines at Winnipeg?

If so, can he assure the house that this means Winnipeg will continue to have its share of this work in any expanded program on the part of Trans-Canada Air Lines?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I will answer that question because it comes within the realm of my department. The program for the repair and maintenance facilities at Winnipeg is that the repair and maintenance of all Viscount aircraft, present and future, will be done there. The repair and maintenance of the DC-8's and the Vanguards, most of which flights will be terminating in Montreal, will be done when they are received at Montreal. This is not expected to diminish in any way the repair and maintenance services now being carried on at Winnipeg, because the Viscounts, of which we will have a great number, will continue to be serviced at that depot.

POWER

NOVA SCOTIA-NEW BRUNSWICK—REQUEST FOR COPY OF REPORT

On the orders of the day:

Mr. A. J. MacEachen (Inverness-Richmond): Mr. Speaker, may I direct a question to the Minister of Northern Affairs and National Resources. Has the minister received a report of the investigation by the Montreal Engineering Company into the requirements for new power capacity and the location of power plants and interconnection lines in Nova Scotia and New Brunswick? If so, will the minister make copies available to the house?

Mr. Robichaud: He does not know what it is all about.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, the government has received a copy of this report, but as to the advisability of making it available to the house I will have to take notice of that question and reach a decision on it.

Mr. Pickersgill: Secrecy.

GRAIN

MEASURE TO PROVIDE CASH ADVANCES ON FARM-STORED GRAIN

The house resumed, from Monday, October 28, consideration of the motion of Mr. Harkness (for Mr. Churchill) for the second reading of Bill No. 14, to provide for advance payments for prairie grain prior to delivery thereof.

Mr. Peter Stefura (Vegreville): Mr. Speaker, last night I was talking about the unfair attitude of some of the members of the former government toward this bill. I should like to return to the quotation I was giving from

the speech of the hon. member for Russell (Mr. Gour) as reported at page 377 of *Hansard*.

> This session we have another bill to pay cash to the farmers so that they will be able to get money without having to pay interest.
> I claim that this bill establishes a dangerous precedent because the government will now have many calls for money from people who would like to secure money without having to pay interest.

I ask, Mr. Speaker, just how dangerous is this bill? Why are the Liberals afraid of starting a precedent as far as any benefits to farm people are concerned? It appears that they were not afraid of starting other precedents. They were not afraid of starting a precedent when they sold wheat under the British wheat agreement, under which the farmers lost about $431 million. They were not afraid of a precedent when they sold wheat at the same time for the same price, which was less than the world market price, to the Canadian millers and the Canadian consumers, and the farmers lost an additional $136 million. They were not afraid of a precedent when they took about $500 million out of the farmers' pockets, out of my pocket and out of my neighbour's pocket and out of everybody else's pockets on the farms in western Canada who were selling grain at that time. They were not afraid of a precedent when they passed the Prairie Grain Producers' Interim Financing Act to protect the banks and see that the bankers got their 5 per cent interest. But when we get a little bill on the floor of this house, such as we have here today, they become worried and say it is a dangerous precedent.

I feel that perhaps we should have started a precedent of this kind a long time ago, a precedent to give the farmers a break for a change, and give them what is rightfully theirs instead of continually taking it away from them. There have been strong hints by some that this bill is subsidizing the agricultural industry and western farmers. There have also been strong hints that the agricultural industry must compete in world markets. So far as I have been able to follow them, these hints are coming mostly from members who have no agricultural industry, or very little, in their ridings.

Let me say to these hon. gentlemen that the agricultural industry has been subsidizing other industries through tariffs and other regulations almost ever since those other industries started. What is more, rumours are abroad that they want more protection and more subsidies from the farm people, who will eventually pay them. Rumours are that some of these other industries want increases in tariffs on steel. They also want increased tariffs on half a dozen other items.

They want it today when the farmer is caught in a price squeeze. Farm prices have dropped to such an extent that farm people, in many instances, have a hard time trying to hang on. On the other hand, the prices of everything the farmer has to buy have gone up, and they find it difficult to hang on in the other way.

Some people call it price squeeze. I call it a tug of war. They are pulling the farmer apart. Under these conditions we have some of our Liberal members defending the interim financing act. I say that policy is not in the best interests of the farm people. All it does is put an additional burden on the farm people, and it is just pulling them apart in three directions. The farmer must go to the bank and borrow at 5 per cent interest. Therefore I say the interim financing act was certainly some plan for western agriculture.

To those who say that the farmers should compete in world markets under present conditions, I say remove your tariffs for the farm people and the agricultural industry and then you may have a good argument. But under present conditions, when the farm people are contributing to the prices of many of these industries the argument does not hold. If you feel that the farm people must compete in world markets, then give the farmer the privilege of buying on the world market without those tariffs and customs duties and all the legal red tape. Let the farmer sell his products for gold or sterling, or barter for goods with any country that suits him. Give the farm people a free hand to do business in the way they see fit, and in a way that they have been asking to do business for years through their farm organizations and through whatever means they have at their disposal. I am sure there would then be no need for any emergency measures such as we have before us in the house today.

I trust the present government realizes that this is only an emergency measure and that legislation must be brought in to get at the root of the ills that we have in the agricultural industry today. I trust that this government will not use this bill as a cure-all for these ills, because the agricultural industry is going to require a lot of legislation to give it a parity of income.

I am confident that this bill having to do with cash advances, as proposed, will not do the job to the extent that the present Minister of Finance believes it will. It allows only 50 cents a bushel for wheat stored on the farm; it allows only a 6-bushel quota. The farmers will be able to get about $600, $800 or perhaps $900. That, I submit, is a long way from the actual need

or requirement, when we consider that the farmer must pay taxes; he must pay his store bills, fuel bills ond so on. The $600 or $800 will not go very far. This government must give immediate and careful consideration to increasing storage space and to the idea of a food bank; it must give careful consideration to promoting sales by such means as accepting sterling, barter or extending credit to countries which may be short of hard currency at this time.

I asked the Minister of Finance a question on October 23 as follows, as recorded at page 313 of *Hansard*:

> Has the government given consideration to the acceptance of sterling in an effort to increase Canadian exports to Britain and other commonwealth nations? If so, has a decision been reached, and what was the nature of that decision?

I was very much surprised to receive the following answer:

> No such proposal was made to the Canadian government.

I repeated the question on page 314 of *Hansard* and received the following answer:

> I have already told my hon. friend that question has not even been raised by anyone.

We had about 12 joint meetings that were sponsored by the Alberta farmers union in our constituency, and all the candidates were present. When the question would come up as to how the Conservatives planned to increase foreign trade, the acceptance of sterling was at the top of the list. The Conservative candidate is a fine old gentleman. I have nothing at all against him personally. I do not for a moment want to believe, nor can I find that I can do so, that he would manufacture his own policy. If the minister denies that it was a campaign promise made by Conservative candidates, then perhaps he can explain why the candidates take a Social Credit policy, a policy which the Social Crediters have been presenting to this house for years and then wish to get elected as Conservative members of this house. To present policies and hope to get elected on policies that the ministers have never even heard presented to them as questions is definitely misleading the people. We can never hope to have good government or to give the people the kind of administration they so desire if we deliberately mislead those people in our country.

I urge the members of this house to get this bill through as a temporary measure to aid agriculture and give the government a chance to introduce legislation which will cure the basic ills of agriculture. The policies that brought agriculture to its present condition have been in effect for a long time, and it cannot be expected that they can be cured over night. However, the sooner you get down to the basic problems, the sooner you will be able to restore the agricultural industry to its rightful place in our economy.

(Translation):

Mr. Wilfrid LaCroix (Quebec-Montmorency): Mr. Speaker, I listened with a great deal of interest to the speeches made in this house by the hon. members for Dorchester and Kent (Messrs. Landry and Huffman). Their speeches have made a strong impression upon me, and I thought that their arguments in support of their position should be among those favourably received by the government.

Now, the government is asking us to vote an amount of 150 million dollars to help western farmers dispose of their wheat. I do feel however that he might also have thought of eastern farmers, more particularly those of the province of Quebec. It is recognized in the province of Quebec that it is only right that western farmers should benefit from government assistance with regard to the moving of their grain to the east. Indeed, I think that the government should establish some permanent farm assistance policy with regard to the transport of grain from west to east.

In the matter of farming, the whole province of Quebec has the same difficulties as our western friends. Right now, the Quebec farmer is known to be going through a terrible depression and I wonder what has been and will be the assistance this government proposes to give to eastern farmers. I do not see any sign of it. Nevertheless, we in eastern Canada shall contribute to this amount of 150 million dollars.

I have been in this house for 22 years and, every year, I have heard about the problems of western farmers and the subsidies they were requesting. This year I went out west to gather information and to see conditions for myself. I have satisfied myself that it is a section of this country where there is scarcely any mixed farming, all the acreage being used for grain growing. It has often been suggested to our western fellow citizens that they should take up more livestock breeding and mixed farming. Had they done so, the government would have been spared much of the trouble of providing subsidies, and western farmers would have got more out of their operations, thus doing away with this problem which comes up each year in this house.

This sum of $150 million which we are going to give to the western farmers—with little likelihood of repayment, as has been the case in the past—removes all prospects of an increase in the rate of family allowances, as promised by the Conservative party in the last election. This $150 million which the

government proposes to give to the western farmers will bar the province of Quebec from securing grants and subsidies to which she, together with the whole population of eastern Canada, is rightfully entitled.

Mr. Harkness: The hon. member for Melville (Mr. Gardiner) said it would cost less than $10 million—

Mr. LaCroix: If the hon. minister spoke French, I could reply to him. I did not understand a word he said.

Mr. Speaker, I think it is our duty, especially for us in eastern Canada, to support the views so eloquently expressed by the hon. members for Kent (Ont.) and Dorchester. (*Laughter*). You may very well laugh, you people sitting on the government side; I can even see the hon. Minister of Agriculture (Mr. Harkness) grinning. I would ask him to make a trip out east instead, so that he may study on the spot the farming conditions in the province of Quebec and the difficulties facing our farmers; he could then, at that time, take other decisions liable to remedy the situation.

Mr. Arsenault: You knew of those conditions before this.

Mr. LaCroix: I have always known of them, and I have always made the same requests. I did not do as did the hon. member for Bonaventure (Mr. Arsenault) who, after being returned as an independent, on the very day after the election proclaimed himself a Conservative member.

Mr. Arsenault: He was your man.

Mr. LaCroix: I have never betrayed my mandate.

Mr. Arsenault: He was a Liberal, that one.

Mr. LaCroix: You ran as an independent candidate.

Mr. Arsenault: Not I, I was a Conservative candidate.

Mr. LaCroix: In any event, to come back to the point, Mr. Speaker, may I say that in fairness to the province of Quebec, the agricultural needs of our province should be taken into account.

I have here a resolution adopted by the *Union Catholique des Cultivateurs* (Catholic Farmers' Union) of Quebec North, a district within my own constituency. I would like to bring this resolution to the attention of the Minister of Agriculture:

Resolved that the government be requested: (a) to give permanency to the federal government,s present policy of price support for farm products; (b) to fix support prices for farm products according to a formula which would take into account the cost of living, production costs, and variations in demand as suggested in the formula put forward by the Canadian Federation of Agriculture.

The dairy industry is very important in our province. Here is a resolution adopted by the *Union Catholique des Cultivateurs* of the province with regard to that industry:

Whereas the dairy industry is the mainstay of agriculture in the province of Quebec and, as a consequence, Quebec agriculture tends to favour forage crops;

Whereas even though a large number of Quebec farms can produce considerable quantities of grain, their area is such as to provide a good permanent market for western grain;

Whereas the increase in freight rates on feed grain has already had an advance effect on the production costs of cattle raising and dairying . . .

I believe that the government should at least have provided a sum of money to allow eastern farmers to benefit from lower freight rates and thus get their seed grains at a lower price than they did under the former government. But no, the sole concern of the Prime Minister (Mr. Diefenbaker), the member for Prince Albert, is for his electoral riding in western Canada.

Well, Mr. Speaker, allow me to say that eastern Canada also needs some grants, and some subsidies. I mentioned one a moment ago when I asked the minister why the government had not continued to grant to our religious communities and our charitable institutions the subsidies from which they had benefited when they were allowed to buy their butter at a reduced price. The minister answered that this could not be done this year since there is no butter surplus. He also said to me that the former government had adopted the same policy.

I say to him that the former government always granted the religious orders and charitable institutions of my province the advantage of a reduced price on the butter it had to sell. If the government changes its policy, that is its concern.

May I say, in closing, that I will vote against this bill, that I will vote against it on second reading and that, in so doing, I support the stand taken by my colleagues from Kent, Ontario, (Mr. Huffman) and from Dorchester (Mr. Landry). I support their stand because I think that the west is being given a considerable amount of money which will eventually prevent the government from giving the people of eastern Canada what it promised them and what they are entitled to, in the form of an increase in family allowances, of subsidies to agriculture and of lower taxes. You will see when the budget comes before the house.

This amount of 150 million dollars handed out to the western farmers will have to be paid somehow. Indeed, we shall see the effects of those 150 million dollars when the new budget comes before the house.

(Text):

Mr. Jacob Schulz (Springfield): Mr. Speaker, in speaking on this bill which is to provide advance payments to farmers who cannot sell their grain, I find myself in a rather awkward position. I do not like the measure in its present form, but I cannot possibly oppose it because I am one of those who have been advocating emergency assistance for years. I am thankful the government has acceded to the request, and I will support the measure. No matter how little benefit the farmers will receive from it, I will support it on the assumption that in this case something is better than nothing.

However, I feel I would be remiss in my duty if I were not to point out the shortcomings of this legislation. I only hope I can find the right words to do that and not be misunderstood, especially at a time when there is such an acute mortality prevailing amongst the members of this parliament. I am not against the principle of this measure, but I must indicate the inadequacies compared with the needs. Perhaps I should not do this, because everyone seems to be fairly well satisfied with the bill. I know the farmers are badly in need of this support.

In mentioning the weaknesses of this bill before us I find myself about in the same position as a lay observer watching a doctor perform an emergency operation on a dying person. He would think twice, at least, before he would tap the doctor's shoulder and offer advice in the moment when the doctor was performing that vital and delicate incision. I think he would rather be inclined to keep his mouth shut, for such an interruption might irritate the doctor and cause his hand to shake, thus endangering a life. I would not want to do that at this point. I shall therefore try to be careful in choosing my words to express my disappointment at the value of this government action.

Perhaps I can do this best by using the well known phrase coined during wartime; "too little and too late". In order to make a proper analysis I would divide the phrase into two parts. I would concentrate on the "late" part first by saying that what we are doing now should have been done years ago, and should have been done in much fuller measure than we are attempting to do now. The former government was confronted with this request year after year, but they refused to even consider it. It was branded a wild idea, an unreasonable demand, absolutely impossible to implement. Now that we have a new government the farmers' petition is granted in principle at least, and the former minister of agriculture wants to get in on the credit. He tried hard the other day to make out a case for himself, and in his desperation he went so far as to intimate that this step could have been taken before if it had not been for the backward farm organizations. They did not even ask for it.

At this point I should like to make it clear that if the right hon. member for Melville (Mr. Gardiner) wants to use the Canadian Federation of Agriculture to shield himself from an embarrassing position it is quite all right with me. Perhaps he is even justified in doing so. This organization has provided a barricade behind which he and the former minister of trade and commerce have hidden for years, and perhaps that is one of the reasons we have not got advance payments yet.

However, when the right hon. member goes so far as to indicate that all farm organizations have been against the idea of cash advances, then he should know he cannot get away with such backstage manoeuvring in this parliament. I have with me the last three briefs presented by the interprovincial farm union council to the government. The first one was presented on February 16, 1956, and on page 15 it says:

> Therefore, the interprovincial farm union councils continuing to press for adoption of its original proposal (which has been endorsed at the three wheat pool delegate meetings) that the government arrange for interest-free cash advances by the Canadian wheat board on farm-stored grain to the value of 50 per cent of the initial payment on an estimated delivery of 8 bushels per cultivated acre.

This proves that the proposal was made and that it had been adopted by three wheat pool meetings. The next brief was presented on February 19, 1957. On page 8, it asks that a permanent system of cash advances be established on the basis recommended in previous submissions in order that farmers will have the means to meet their annual obligations. This should be enough to destroy the validity of the assertion made by the former minister of trade and commerce which was seized upon by

the hon. member for Melville. The next brief was presented on August 15, 1957 in which the same request is repeated.

This I am sure will do away with any implications that our farm organizations were against advance payments. Where did the idea come from in the first place if it was not from the farm organizations? If the Liberal government had been as interested in the farmers as were some of the farm organizations then the farmers would not today be in a position of having to ask for emergency assistance.

The government could have prevented the situation by adopting a more aggressive attitude in selling our wheat; other people are selling their wheat. The United States exported 535 million bushels last year while Canada exported only 260 million bushels. Is there one natural reason why the United States should be able to sell one single bushel more than Canada, when our wheat has been recognized as the best in the world? Our wheat is hard wheat which some countries are forced to buy whereas the United States wheat is soft wheat which can be obtained anywhere.

Our final certificate covering export sales is accepted with the same confidence as a certified cheque. In contrast, the United States grading system, from No. 1 to the lowest, is inferior to ours in every respect. Nevertheless they almost doubled their sales last year when they exported 275 million bushels more than we did. In the same period our sales went down 49 million bushels. What is the reason for this difference? Could it be that those who were in charge of the development of policies for the United States wheat disposal program had enough imagination to conceive of strategies and approaches which have proved successful while those who were responsible for our program lacked incentive and vision to the point where they are relying on an orthodox trade policy and waiting for Santa Claus to bring them some customers?

United States policy makers have used four different ways in which to introduce a progressive sales policy: sales for American dollars, sales for local currency, barter trade and other relief assistance. Instead of adopting at least some of these various beneficial methods our government embarked on a course of criticism which to my mind is senseless to the highest degree, degrading those who do it, stifling business and resulting in a danger to this country.

When my neighbours sell faster and better than I do, do I criticize them? Of course not. I will find out how they do it and learn something.

[Mr. Schulz.]

In the 1955-56 crop year the United States exported 344 million bushels of wheat of which 97 million were sold for dollars, 93 million bushels for foreign currency, 67 million bushels were barter transactions, and 87 million bushels were exchanged under a mutual aid and relief program. If our government had adopted similar progressive sales policies during the years we would not have to find the cost of storage which now amounts to about $100 million a year and which includes some farm storage costs, but we could have sold a large portion of our wheat when the price was high. How much the farmers have lost in this respect alone can be seen from the fact that at the opening of the crop year 1953 the price of No. 1 Northern wheat was $2.03 a bushel and on July 21, 1957 the price was $1.61, a loss of 42 cents in four years. In last year alone wheat prices dropped by 12 cents a bushel.

Farmers have not only lost in sales and prices at the export level but also at the domestic level. From 1947 to 1953 the export price ranged from $2.00 to $3.40 a bushel but our domestic price was held down by the government and ranged from $1.55 to $2.55. When you know of these facts it is rather amusing to listen to those hon. members on the Liberal side who have voted against the resolution talk about discrimination and to those who with tears in their eyes talk about the United States give-away program and the terrible sums of money it costs the people of the United States. You never hear anybody talk about the Canadian give-away program for which these farmers alone had to pay; no one mentions the United Kingdom wheat agreement which cost the western farmers in the neighbourhood of a $300 to $400 million; no one talks about the millions and millions of dollars paid by the farmers in storage charges.

This is the way western farmers have been backed up against the wall to the point where they are now forced to ask for emergency assistance. I am happy this government seems to recognize that fact, at least to some extent, and has brought down a measure which is a step in the right direction, but it is still too late and too little. In dealing with the too little aspect I want to say that in speaking in the debate in reply to the speech from the throne the other day I made it clear that no half measures are good enough at this time.

Unfortunately this first legislation brought down by this government will no doubt be exactly that. Six bushels an acre is only half of the normal crop; what about the other half? Can farmers at this time afford to get only half their payment on merely half their crop? What about last year's crop?

What about the crop from the year before? It is most unfortunate that in this case this government is doing to the farmer something similar to what the former government did to our senior citizens. The advance payment on only 6 bushels an acre compares, I suggest, with the measly $6 increase in pensions which was granted last session. Will the farmers be more satisfied with this treatment than the old age pensioners were?

What is the material difference between this bill and the Prairie Grain Producers Interim Financing Act, aside from the interest, which in this case is paid by the government, and the fact that it is received by the farmer as a matter of right. Apart from that there is no difference. A farmer cannot obtain any more money under this act than he could under last year's act. As a matter of fact, he would get less. Under the provisions of the interim finance act a producer could borrow up to $3,000 if he had the grain to cover that sum, but under this proposal the amount of grain a farmer has in store does not matter; it is acreage which counts, not grain. A farmer has to have 1,000 acres before he can get $3,000. Furthermore, he can only get this amount if he grows only wheat. If he grows barley or oats he will get less. Is this the best this government can do?

Let us take, for example, an average farmer with a half section of land and 270 specified acres. If his production is all in wheat, he will receive $810; if in barley, $567; and if in oats, $324. This shows clearly how little benefit those hard-pressed farmers who have reached the end of their rope in financing their operations can hope to get out of this legislation if no changes are made.

Mr. Speaker, my hon. friend from Provencher (Mr. Jorgenson), speaking on the resolution last week, expressed the opinion that farmers are a reasonable group of people and that they will, therefore, be satisfied with this proposal. I have reached the opposite view. It will be the reasonable people who will recognize the fact that this is a feeble effort on the part of the government. They will see that this gesture is not only of little assistance to the average farmer but will create an incentive to grow more wheat, which is most dangerous. By allowing advances only on six bushels an acre regardless of the grain delivered, and then graduating the amount he receives from fifty cents for wheat to thirty-five for barley and twenty cents for oats, he may be inclined to grow the grain that brings the most money under this arrangement as it stands.

Mr. Speaker, it is hard to understand how hon. members of this house can stand up, speak on this bill and assert that everything is really quite all right, when some of its features are so obviously all wrong. There is plenty of evidence that this legislation in its present form is not only inadequate but is disturbing in some respects. For example, I point out sub-clause 4 of clause 3, which reads as follows:

> No person who has received an advance payment under this act in any crop year is, until his undertaking in respect thereof has been fully discharged, entitled to receive an advance payment in any subsequent crop year.

This means, in simple terms, that if a farmer is unable to deliver his six bushels allowed under the quota by the end of the crop year he cannot get any advance on his new crop until he delivers his old quota and discharges his obligations.

Mr. Harkness: On a point of order, Mr. Speaker, the hon. member is now discussing the clauses of the bill, and I suggest it would be better and make for a more orderly discussion if he would postpone discussion of this particular clause until we come to deal with the bill in committee of the whole.

Mr. Schulz: Mr. Speaker, if the Minister of Trade and Commerce (Mr. Churchill) or the Minister of Agriculture (Mr. Harkness), who has taken his place today can guarantee us that we can deliver six bushels this year I shall be not only satisfied but gratified by his assurance. But only a very cheerful optimist would dare to make such a prediction at this stage in the present circumstances. We could not do it last year, at least in my constituency, and I do not think it can be done this year either.

There is only one way in which it could be done: we must sell more grain than we are doing now. So far there is no evidence of such a trend. All signs point to the fact that up to now no all-out effort has been made to cope with this problem in a practical manner and, therefore, our present position can be described without fear of contradiction as a pitiful and deplorable stalemate. We are forced to accept it as such until the minister sees his way clear to tell this house what his plans are. We know that he is confronted with one of the most complicated problems, and we appreciate his position. We do not expect that he should sell all this wheat overnight, but I do feel that he and those who work with him should by now have been able to figure out some idea, some plan or some action that may be taken. So far he has said nothing that satisfies my curiosity or which does justice to the urgency of the situation.

From the minister's silence in this house and the address he made in Winnipeg to the national dairy council of Canada I have

reached the conclusion that those who are in charge of our present grain marketing problem are tarred with the same brush of fear that has caused the indecision which has plagued that group for years. They seem to be, in a sense, prisoners of the past who have failed to respond to the challenges of the present.

Commenting on the minister's speech in Winnipeg, the *Western Producer* has this to say:

> After making due allowance for the handicaps under which he suffered it must, we fear, be admitted that Mr. Churchill was disappointing. His speech sounded dull and pedestrian, contained little that was new or inspiring and indeed would not have sounded much out of place coming from the mouth of a spokesman for the former regime.

How true this analysis is was proven by the minister when in the same speech he fell into the old rut of criticizing those who do something to dispose of their surpluses, and blaming them in the main for the reduction of our sales.

It is a sorry picture, when farmers are economically bankrupt while sitting on a pile of wheat to the magnitude of one billion bushels, to see those who are responsible for our sales program doing little more than criticize those who do something. Even the Prime Minister (Mr. Diefenbaker) has joined from time to time the parade of critics.

Perhaps it is true that we should not follow exactly in the footsteps of the United States in disposing of our surplus, but we should, indeed we must, find means to distribute our surplus wheat to those who need it even if they cannot pay for it in dollars. Every fair-minded observer must admit that our present method of selling for dollars only has failed us miserably. At the same time the United States, by her easy selling terms, has disposed of considerable quantities of wheat to needy people who have not the money to pay in the ordinary way.

Unfortunately, the Minister of Finance (Mr. Fleming) made it clear the other day that this government has no intention of taking the initiative in investigating the possibility of selling wheat for sterling or other local currency. On October 23, 1957, as reported at page 315 of *Hansard* of that date, the Minister of Finance made this statement:

> —until some of the countries on a sterling basis regard this as a matter of sufficient importance to them to come and ask us to accept such an arrangement, I do not see any reason why we should go out proposing to take sterling.

We are still acting in an independent manner as if we were in a seller's market. It is difficult to follow this line of reasoning. The minister made this comment in spite of the fact that from November 15, 1954, to April 30, 1957, the United States has signed 92 agreements with 32 countries to the value of $1.8 billion which covered 446 million bushels of wheat. Twenty-three of these countries received wheat in exchange for local currencies. For some reason our authorities seem to be afraid to tackle this problem in a progressive manner. They have taken the passive course which has always proven to be most unsafe in the competitive business world. Those in charge do not seem to realize that this situation demands a high order of creativeness and instead of being afraid of doing something they should be afraid of doing nothing. If they would move we would not need to waste our time today talking about providing emergency assistance nor would we have had to waste millions upon millions of dollars in storage charges. We have paid enough unnecessary storage charges in the past few years to pay for at least half of that surplus wheat and give it away.

Our new Minister of Trade and Commerce made it clear in his speech that he has no intention of changing the policy of storing surplus wheat. On August 30, 1957, as reported in the Winnipeg *Free Press* of that date, he is reported as having said in that city:

> I hold the view that our higher grades of wheat might better be kept in store rather than given away or sold at cut rate prices.

And so we are sitting on our pile of surplus wheat and apparently the government intends to let the farmer and the nation pay storage until they are blue in the face. We will continue to sit on it even though it has become a crushing burden to western farmers and in spite of the fact that over half of the world's population is going to bed hungry every night. That we cannot dispose of our surpluses in a hungry world is a disgrace to our intelligence and those who brought us to this point should hang their heads in shame.

They are responsible for the creation of the situation in which we now find ourselves of being forced to pass emergency legislation to alleviate this deplorable condition. Measures designed and saturated with the same platitudes which are partly responsible for the plight of the western farmer will not come near the mark in terms of solving this problem. Apparently the government is still hoping that some day, somehow this problem will solve itself by some semi-miraculous means involving no effort on its part. It is hoping against hope that the problem will vanish of its own accord.

(Translation):

Mr. Raymond O'Hurley (Lotbiniere): Mr. Speaker, I had not planned to take part in the discussion on this bill which, I contend, is

one of extreme urgency for a certain part of our population. However, I would not like either, by keeping silent, to give the population of this country the impression that members on the government side are opposed to an emergency measure designed to give western farmers some money until this year's crop is sold.

It is for that reason, Mr. Speaker—this is my maiden speech in this house but I am being forced by circumstances, to take part in this debate—that I feel it my duty, indeed a sacred duty, as a representative of an essentially agricultural constituency of the province of Quebec, to speak in the French language, the language of my electors.

Mr. Speaker, I know for having discussed this matter in caucus and in discussions with the Prime Minister that this is an urgent measure. This is no grant, no outright gift made by the country to western farmers but, for all practical purposes, a loan which will provide them with ready cash until such time as their crop is sold. That is why I would like to take a clear stand on this issue, as did other Quebec members who spoke before me.

I would not like this measure offered by the government to be considered as a gift. I know that this legislation does not apply to the other farm products, but I know also that it is a part of the policy announced by the Prime Minister in order to achieve balance in the field of agriculture. I support it, though, because I have as much feeling as those members who preceded me.

This plan is not perfect because perfection is not of this world but we shall try to reduce the margin existing at this time between prices obtained by the producers and what the consumers pay. Being a farmer's son and the owner of a farm, I know that the price obtained by the farmer for his products does not provide him with a salary comparable to that of other classes of society at the present time.

That is why we will shortly propose legislation with a view to filling this gap between the price paid to the producer and the price paid by the consumer.

Therein lies, I think, the difficulty facing the farmers of the province of Quebec. I had intended to deal with various aspects of agriculture in the province of Quebec during the debate on the address in reply to the speech from the throne, but the examination of this measure prompted me to say a few words on the question of loans or grants to western farmers.

Just recently, I heard the hon. members from the opposition, my good friends from the constituencies next to mine, say that prices paid this year for maple syrup, pulp wood and various farm products were lower than last year's. If they remember well, in March and April 1956 maple syrup was selling at $7 a gallon in my riding. This year, the same syrup, of identical quality, sold at $3 a gallon. And yet, it was not the Conservative party which was in power. Therefore, it is not our fault, it is a legacy for which we cannot be held accountable, but, nonetheless a legacy that we have come into. In any case we shall try to be fair to everyone, while at the same time helping western farmers.

This bill, this loan we are suggesting is, in other words, an advance on their crops, which is going to be refunded to the federal treasury through their wheat pools. It is not an amount of $2.5 million which they are going to keep, but a cash advance.

Mr. LaCroix: An advance that will never be refunded.

Mr. O'Hurley: I had always understood that once a legislation is passed, it has to be complied with, and farmers, whether they live in the west or in the east, in Ontario, Quebec or New Brunswick, are accustomed to observing the law.

I say these grants are liable to help our rural population, because western farmers would then be able to reduce their production costs and, consequently, resale prices, which will open up new markets to them.

Mr. Speaker, like all members sitting with me on this side of the house, I put my trust in this government, and I shall vote in favour of this legislation, because I know that this government will be inclined to submit new bills to assist Quebec farmers. And I know for certain that those farmers will understand our position and, in their turn, be fair to us.

(Text):

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, this is the first time I have risen to participate in a debate in the course of the present session. I want to assure you, however, that it is not my intention to delay to any appreciable degree the passage of this measure; but I do feel there is one principle

that should be restated and kept in mind in considering the agricultural measure now before us.

The position of this group relative to the matter under consideration has been declared very clearly and concisely not only in the course of this debate but on other occasions as well. Recognizing as we do the serious financial difficulty in which the wheat producers of the prairie provinces find themselves owing to the inability to market their grain we have supported and do support the principle of cash advances on farm-stored grain as proposed in the measure. However, once again I would like to call attention to what I consider to be a very serious weakness or, shall I say, a danger in the legislation which we are now considering.

We are singling out a particular section of our country and a specific part of our agricultural industry for special attention. Let me again state, as I have already done, this proposal is receiving my support, but I do feel that in this parliament we must concern ourselves with policies and measures the benefits of which will, in comparable circumstances, be available to citizens right across our country. As an illustration, I should like to refer just briefly to our plea made on other occasions for the expansion of such measures as the Prairie Farm Rehabilitation Act. I mention this at this time only to illustrate my point.

Our agricultural industry, or economy, in British Columbia is, as you know Mr. Speaker, more diversified but we have marketing problems as well. We feel that as regards at least some of our products we might be justified in claiming some such assistance as is contemplated in this measure. I am reminded as well of the maritime section, and the producers in that area who might feel justified in requesting consideration, and no doubt would benefit considerably were the benefits of such legislation made available to them.

Some months ago I had the opportunity to be in the province of New Brunswick and the problem of marketing their potato crop was brought to my attention. When the crop is harvested the markets are usually in a very depressed condition; but because of the desperate position in which the producers find themselves they dispose of their potato crop to buyers or speculators at a few cents a barrel. Those potatoes are stored on the farms by those producers and when the markets improve and a good price is commanded the buyers come along and take delivery and, of course, reap the benefits. I would suggest that if some such legislation was passed, or if a provision was included in such a measure as we have here, cash advances in that particular instance would be of inestimable value to the producers of that section. If those advances were available they could store their crop just as they do at the present time but they themselves would benefit from the improved market at the time of selling. I know it would be very hard on the speculators but it would be good for the producers.

I raise this point, Mr. Speaker, not because of any opposition to the principle involved in this measure but because I and many others are of the opinion that the benefits of measures designed for the good of our people should be available to all under comparable circumstances.

I listened with a great deal of interest to some of the members who participated in the debate last evening, for instance the hon. member for Calgary South (Mr. Smith). I was charmed by his quality of voice; I enjoyed his powers of oratory but I could not appreciate, as can be understood, his wholehearted confidence in the present administration to carry through a program that in its totality would take care of all the problems that face agriculture at the present time. I believe one of the other members suggested that this was only the first in a list of measures which would be introduced by this government and which would be in the interests of the agricultural industry of the nation. My own fear, Mr. Speaker, is that unless the fires are kept burning and a good head of steam is maintained this government may grind to a stop before the destination is reached, before the point is reached where legislation has been brought in which will bring to the agricultural industry of Canada the help it needs at the present time. Therefore, I raise this point once again, Mr. Speaker, in the hope that when measures are introduced in this house we shall keep in mind the fact that we are dealing with national issues, and the measures which are contemplated, considered and passed should be in the interest of all the people of Canada regardless of where they may reside.

(Translation):

Mr. C. N. Barbes (Chapleau): Mr. Speaker, on behalf of the farmers of my constituency, I would like to say a few words at this stage on Bill 14, providing for cash advances on prairie grain prior to delivery thereof.

Through this legislation the government wishes to authorize cash advances to prairie farmers—and I repeat this—on threshed grain, before its delivery to the Canadian wheat board. The producer of wheat, barley or oats will therefore be enabled to receive

cash advances up to a maximum of $3,000. In this way 100 to 150 million dollars will probably be advanced to western farmers on farm stored grain.

Mr. Speaker, the bill is possibly to the advantage of the western grain producer, but in the opinion of the farmers who, like myself, live in the eastern part of the country, this appears to be preferential treatment at the expense of the taxpayer, if the measure is adopted as such.

As for myself, before voting for such a measure, I would like our homesteaders and those farmers of ours who have woodlots to benefit from cash advances also, though not exclusively on pulpwood which has been cut and offered for sale but not yet delivered to the buyer. Advances such as are proposed by the bill, carrying no interest, should, to my mind, apply everywhere.

Those thousands of farmers who clear land, cut wood and farm in our districts will certainly not approve this legislation. It is not enough to promise an inquiry on the price spread between what is paid to the producer and what is paid by the consumer. Such an inquiry has nothing to do with a nation-wide agricultural policy.

Yesterday the member for Victoria-Carleton (Mr. Montgomery) told us that this measure was a part of the Conservative national policy, that it had been explained throughout the length and breadth of this country during the last general election. Well, as far as I am concerned, I would like to point out here that, during the last campaign in my constituency, my opponent was at pains to say that legislation in favour of those people who live on the prairies was preferential treatment costing millions of dollars, that these privileges were unacceptable if we remembered that our own farmers do not benefit from similar federal legislation concerning what they produce on their own land.

This particular point having been raised in our constituency, I am of the opinion that many Canadians who live on the land in Abitibi would not favour such a proposal. I have all the sympathy in the world for our western friends, but on the other hand I will not forget our own farmers who would like to keep on farming and, at the same time, receive their fair share of the national income.

On October 15 last, Mr. Speaker, an hon. member asked the government whether it intended to set up a commission to investigate price spreads. At that time, the right hon. Prime Minister (Mr. Diefenbaker) stated that the government had given immediate consideration to this most serious and difficult farming problem, one respecting which he himself had spoken on a number of occasions, stressing the need of something being done to investigate this spread in prices paid to the producers as compared to those required of consumers. The right hon. Prime Minister promised at that time that a statement would be made on this matter in the near future.

A few days later, that is on October 23, the hon. Minister of National Health and Welfare (Mr. Monteith), in submitting the government program, explained the details of government bills relating to the Old Age Pension Act, the Old Age Assistance Act, the Blind Persons Act and the Disabled Persons Act.

On the following day, that is on October 24, the hon. Minister of Agriculture (Mr. Harkness), speaking of farming problems and of a stabilizing price measure, merely stated that he had realized, when he took office as Minister of Agriculture, that the situation was extremely serious, adding that he had tried to improve the situation as far as some agricultural products are concerned and that he would continue to take every possible step with all possible speed to correct this unfortunate situation.

Well, Mr. Speaker, once the government has proposed an overall plan and submitted all the farming measures as a whole, taking into account the needs of eastern farmers, I shall be in a position to consider this bill. However, for my part, it is my duty to vote against this measure if a vote is recorded on second reading.

Mr. Georges Villeneuve (Roberval): Mr. Speaker, as a member representing a farm riding and not having had the opportunity to express my views on this legislation at the resolution stage, I would like to say today what the farm people in my riding are thinking of this bill No. 14 providing for advance payments up to a total of 150 million dollars with regard to the delivery of grain from the prairies.

I admit that these advance payments will probably allow western farmers to survive while waiting for wheat deliveries, but I think this is an expedient designed to conceal the government's inability to dispose of our wheat on the international market.

I would favour this bill if it were such as to lower the price of grain, and wheat in particular, to eastern farmers, for whom this government is apparently showing little concern.

I remember that the former government had passed legislation which was much more

helpful to all farmers throughout Canada, by awarding subsidies on the transport of grain. This had helped eastern farmers to consume more of that commodity while giving western farmers a chance to sell their grain on the national market.

I voted against the resolution preceding the bill and I will vote against the bill itself, because I believe the farm industry of this country is not going to be saved by electioneering stop-gaps like this legislation. Our farming industry is not going to get better by the application of such poultices, but by some bill which will consider farm conditions throughout Canada, not forgetting those existing in the east, and more particularly in the province of Quebec.

(Text):

Mr. C. E. Johnston (Bow River): Mr. Speaker, I should like to take this opportunity to say a few words on this bill which provides for cash advances. It is not my purpose to oppose the measure. I think the measure is long overdue. The people of Canada, and particularly the farmers of western Canada, have been forced into a position where they are nearly bankrupt. It does not make any difference what government is in power; the result would be the same. Because of the great demands being made and the situation of the western farmer, any government which was in power would be obliged to put this legislation through.

We well recall that when the Conservatives, who now form the government, were in opposition they, along with the Social Crediters and C.C.F., on every occasion protested the dire situation in which farmers found themselves. We all pressed for some assistance in the form of cash advances to the farmers of western Canada. The fact that the present government is introducing this measure does not alter the fact that it would have been introduced by any party which formed the government.

I think it can be truly said, Mr. Speaker, that the farmers of western Canada have found themselves in very poor financial circumstances. Because of a lack of a sales policy by the former government, and certainly because of the lack of a sales policy by the present government, this measure is a necessity. The farmers, not only in my constituency but in nearly all western constituencies, have found themselves in a position where they were forced to sell grain at cut-rate prices to any source that was available in order to secure cash to carry on from day to day. The farmers in my constituency, and in other constituencies, were forced to sell their grain at 50 cents to 60 cents a bushel. All hon. members who were in the opposition protested strenuously to the government and requested the inauguration of a system of cash advances so that farmers would not be forced by their creditors to sell grain at cut-rate prices and thereby lose hundreds of thousands of dollars.

I want to say a word, Mr. Speaker, about the attitude taken the other day by one of the members, the hon. member for Charlotte (Mr. Stuart). I can appreciate his situation and his statement that under this measure no assistance is being given to the Atlantic provinces. I would suggest to him, however, that rather than take the attitude that he would vote against this measure he should support the measure and then make every effort to have this government and this house introduce legislation to give the people of the maritimes some relief. Conservative governments have been in power for some time in the maritimes, in New Brunswick and Nova Scotia, and they have done little, if anything, for those two provinces. In fact, the Liberal government did not do very much more, so I suggest to the hon. member for Charlotte that he insist upon some form of assistance being given by this government to the people of the Atlantic provinces. Those people received no assistance from the last government, of which the hon. member was a supporter, so I feel it would be good judgment on his part to support the Social Credit movement in the Atlantic provinces, kick out both the old line parties and put in a government that will do something.

Mr. Murphy (Lambton West): I know where they lose their deposits.

Mr. Johnston (Bow River): That is not true in progressive provinces, because in the west there were few of the old line party men returned. When the people in the Atlantic provinces get to the point where they are fed up with the old line parties, they will kick them out. It would seem that there is no difference between old line parties anyway, and I think the Atlantic provinces are beginning to realize that.

Let me come back to this Bill No. 14 which provides for cash advances to the farmers. It must not be thought for a moment, Mr. Speaker, as I feel the inference was left by the Minister of Agriculture (Mr. Harkness) when he was introducing this measure, that the farmers are going to receive a cash advance of $3,000. That is just not the case. There are some farmers, a very few, who may receive $3,000 in the form of cash advances but that will be limited to those who have the qualifying 1,000 acres. As the minister indicated the

other day, about two-thirds of the farmers in western Canada will have a qualifying acreage of about 300 acres. This means that two-thirds of the farmers in western Canada, on the basis of 300 acres and $3 per acre, will receive about $900. This amount is not going to go very far in solving this emergency which faces our western farmers. There is now on the statute books an act known as the Prairie Grain Producers Interim Financing Act, which was passed in 1956. Under that act there were about 10,326 loans made and the average loan amounted to $647.04.

This measure points out most clearly that when an applicant for an advance is indebted to the bank in respect of a guaranteed loan obtained by him under the Prairie Grain Producers Interim Financing Act, 1956, the unpaid balance of the guaranteed loan, together with any interest or other charges owing thereunder, owing to the bank shall be deducted from the advance payment and paid to the bank, and the bank shall cancel any endorsement in the permit book. This is set out in section 18 of the present Bill No. 14.

A moment ago I pointed out that over 10,000 farmers in western Canada owe on an average $647.04 under the Prairie Grain Producers Interim Financing Act. If, as the Minister of Agriculture has pointed out, two-thirds of the farmers in western Canada have about 300 acres that will qualify under this bill, that means that those farmers will get about $900. When you subtract the amount of money they owe under the Prairie Grain Producers Interim Financing Act you find they will have the magnificent sum of $253 coming to them. Certainly, the government cannot stick out its chest and say what a great boon this is going to be to the farmers of Canada. I feel, Mr. Speaker, that this section 18 should be withdrawn from Bill No. 14 so that those farmers who are in dire need would not be compelled to repay that money before they received any money under Bill No. 14.

Mr. Speaker: Order, it being five o'clock the house will proceed to the consideration of private and public bills.

INDUSTRIAL RELATIONS

PROVISION OF ANNUAL VACATIONS WITH PAY FOR EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre) moved the second reading of Bill No. 2, to provide for annual vacations with pay for employees.

He said: Mr. Speaker, this is the third occasion upon which I have had the privilege of presenting this bill. As hon. members are aware, it is a bill which would provide for annual vacations with pay for workers in Canada who come under federal labour jurisdiction. The main point of this Bill No. 2 is that the annual vacations with pay to be provided should be on a basis of two weeks after one year's service. There is also a provision for holidays on a pro-rata basis for service of less than one year, but the basic and fundamental fact about this bill is that the annual holidays with pay should be, as I say, on a basis of two weeks after one year's service. I mention this in my opening remarks to distinguish it from another bill which is now on the order paper, the first reading of which was given by the house this afternoon. I refer to the bill introduced by the Minister of Labour (Mr. Starr) which in some respects seems to be similar to my bill. I congratulate him for following the lead given in these past three sessions, but in his explanatory words to the house today the Minister of Labour indicated that his bill provides for only one week's holiday with pay after one year's service and requires two years' service before two weeks' holidays with pay are guaranteed to an employee.

As a matter of fact I delayed proceeding with the second reading of my bill until the government's bill had been introduced, hoping that the government's bill might be a carbon copy of my own and that therefore it would not be necessary for me to proceed with Bill No. 2. However, now that the Minister of Labour has made it clear that, commendable as is his bill in that he has introduced it at all, it does not go far enough. I feel that I must ask the house to consider not merely the idea of legislation providing annual vacations with pay but the granting of those holidays on the basis of two weeks after one year's service. In this connection perhaps I might read a sentence from the brief presented to the government on October 21 by the Canadian Labour Congress. At page 18 of that brief I read these words:

> We welcome the announcement of a vacations with pay act and hope it will provide for two weeks after one year's service.

That hope, expressed so recently by the delegation representing the Canadian Labour Congress, has not been fulfilled in the bill introduced today by the Minister of Labour

and, as I say, it is for that reason that I ask the house to proceed with this bill which is better than the one proposed by him.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, if my hon. friend will permit me, I think I should rise at this time on a point of order, in view of the extent to which my hon. friend has indicated the nature of the bill and has himself compared it with the bill introduced this afternoon by the Minister of Labour (Mr. Starr). My friend has I think conceded that the bills relate to the same matter. My friend has sought to distinguish his bill from the bill introduced this afternoon by the Minister of Labour on the grounds—the very narrow grounds—that whereas Bill No. 2 makes provision, according to its explanatory note, that all employees in Canada who come under federal labour legislation be granted at least two weeks' vacation with pay after one year of employment, the bill introduced this afternoon by the Minister of Labour makes provision for a statutory right in the case of all employees under federal labour jurisdiction to one week's vacation with pay after one year of work and two weeks' vacation with pay after a second year and thereafter. Now in my respectful submission this is not a difference sufficient to distinguish the two bills and to warrant my hon. friend proceeding with the bill he is now purporting to submit and of which he has moved second reading.

Mr. Speaker: May I ask the hon. minister if it is his point that it is out of order for the house to proceed on this bill in view of the other bill being on the order paper?

Mr. Fleming: Exactly, Mr. Speaker. The bill on the order paper has been introduced.

Mr. Knowles (Winnipeg North Centre): I am not surprised, Mr. Speaker, that the Minister of Finance on behalf of the government has raised the point of order but it seems to me that he should have something more to say. Where are his authorities for the assertion that, because the government has brought in such a bill, my bill cannot be proceeded with? There are citations in the books which make it clear that a bill takes precedence over a motion; indeed there is a descending order of values in what is known as the rule of anticipation, but I have not been able to find any rule which says a government bill takes precedence over a private member's bill. There is a rule which says—and this is a very clear rule—that the house having taken a decision on a matter, in the course of a session, that matter cannot be raised again. However it just so happens, to put it in chronological terms, that my bill was before the house first. My bill had first reading a few days ago and is now up for second reading. We are now under a new dispensation where the supremacy of parliament is supposed to count. I suggest that if this rule upon which the Minister of Finance seems to be relying has any merit what will actually happen is that my bill, having been introduced first, is the bill before the house and it is the government bill which will be out of order.

[Mr. Knowles (Winnipeg North Centre).]

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): I think the Minister of Finance had better think twice before he presses his point of order. I would be quite happy if it were that way and that we should have before the house the bill which offers a better provision rather than the bill which offers a lesser provision. At any rate unless some authorities are presented to you, Mr. Speaker, I do not see how you can rule that this bill which was on the order paper first is now blocked by a government bill which came in later.

Hon. George C. Marler (St. Antoine-Westmount): Mr. Speaker, it seems to me the point of order raised by the Minister of Finance (Mr. Fleming) is entirely without foundation, that it is equivalent to saying that if a private member introduces a piece of legislation which seems to be politically attractive to the government all the government has to do is to introduce a bill in similar terms and, on the thesis which has just been invoked by the Minister of Finance, the government would take over the parenthood and the credit for the measure from that point on. If there is any principle to support what the Minister of Finance has said, I think he should at least enunciate that principle so that it may be considered.

Hon. James Sinclair (Coast-Capilano): Mr. Speaker, I would like to point out one or two things in connection with the scope of the bill. From the information we have received in the routine proceedings the bill introduced by the hon. member for Winnipeg North Centre (Mr. Knowles) is to include all that group which comes under federal labour legislation, whereas the wording on page 2 of the routine proceedings with reference to the government bill indicates that it is just for employees engaged in federal works, undertakings and businesses. In other words, as I would take it, it applies to all government employees.

Mr. Fleming: No, my hon. friend is quite mistaken in that respect. Employees affected by the bill introduced this afternoon by the

Minister of Labour are co-extensive with those affected by the bill now under discussion. It applies to all employees who are subject to federal jurisdicition. The point is very simple and it is not a novel one. The house can hardly have current at the same session two proceedings and two debates on the same subject matter.

Mr. Knowles (Winnipeg North Centre): That is right.

Mr. Fleming: In such cases my understanding of the rule and the practice of this house is that where there is a government measure which relates to the same matter and covers the same ground—it does not need to be precisely the same ground—the introduction of the government measure has the effect of staying further proceedings on measures introduced by private members.

An hon. Member: What is your rule?

Mr. Fleming: You cannot duplicate debate.

Mr. Speaker: I have conferred with the clerk on the point raised by the minister, and he has advised me that the point which has been made by those who have opposed the point of order raised is the correct view according to the authorities. I am referred to May, fifteenth edition, page 499:

> There is no rule or custom which restrains the presentation of two or more bills relating to the same subject, and containing similar provisions.

It is where a decision of the house has been taken on one bill that a problem arises, but apparently there is no difficulty about two bills, they being both of the same status or rank, as was suggested by the hon. member for Winnipeg North Centre (Mr. Knowles). I think I must respect the point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, just as the Minister of Finance (Mr. Fleming) was rising to speak to the point of order which has now been settled by Your Honour I was on the point of offering a basis for my hope that the house will accept this bill, with its better provisions, rather than the one introduced today by the Minister of Labour.

The basis on which I rest that hope is the fact that on the one occasion when this bill, or a bill identical with the one now before the house, came to a vote it received support from a number of hon. members who now sit on the government side of the house. Until the minister rose on his point of order I had not intended to read the names but in view of what has happened I will do so.

It was supported on a vote by no less a person than the present Minister of Finance. It was also supported, according to the recorded vote on pages 6576 and 6577 of *Hansard* of July 27, 1956, by the present Minister of Trade and Commerce (Mr. Churchill), the Secretary of State (Mrs. Fairclough), the Minister of Justice and the Acting Minister of Citizenship and Immigration (Mr. Fulton)—that is just one vote, of course—the Minister of Public Works and Acting Minister of Defence Production (Mr. Green), the Postmaster General (Mr. Hamilton), the Minister of Agriculture (Mr. Harkness), the Minister of Fisheries (Mr. MacLean), the Minister of National Health and Welfare (Mr. Monteith), the Minister of National Revenue (Mr. Nowlan) and the Minister of National Defence (Mr. Pearkes).

It was also supported by a number of hon. gentlemen who are now parliamentary assistants on the government side and also by the gentleman who is now the chief government whip. It was, of course, supported by all those present in this party, in the Social Credit party, and by at least two hon. members of the Liberal party who were then on the government side of the house. I am hoping, too, that in view of the events of June 10 the Liberals will see the unwisdom of having, in the main, opposed legislation of this kind, and that today they will be on the side of those who are supporting this legislation.

It is a good thing in a democracy that we have elections once in a while and that people can be given an opportunity to express their views. I do hope that hon. gentlemen opposite who feel that they have been given support for some of the views they hold will realize that one of the views that they held in the last parliament was that there should be on the statute books of Canada legislation providing for annual vacations with pay on the basis of two weeks' holiday after one year's service.

There are some objections with which we have had to contend during the last parliament which will obviously not be raised today. The former minister of labour used to take the position that this was a matter that should be left to the processes of collective bargaining. Obviously, the Minister of Labour has departed from that position. Thus we can take it there is now general acceptance that this is an appropriate field for legislation. After all, surely the position has been established that in modern society those who toil, those who do this nation's work, should be entitled to holidays, not just when there is illness, not just when there is unemployment, but as a matter of right, and with sufficient pay to enable them to enjoy those holidays.

As hon. members are aware, this principle has been accepted to a considerable extent by the provinces. Six provinces have general

legislation in this field—British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec. In addition to those six, a seventh, namely New Brunswick, has enacted legislation covering some of its workers. The legislation in these provinces varies as to the extent of the holidays guaranteed; it varies also as to the point at which holidays come into effect, but there are at least two provinces whose legislation provides what this bill seeks, namely two weeks' holidays after one year's service. Those two provinces which are at the top of the list are the provinces of British Columbia and Saskatchewan.

It is our view in presenting this bill, and it was the view held in the last parliament by those who spoke to this legislation on the Conservative side of the house, that this is the kind of matter with regard to which the federal government should give a lead. We recognize that so far as labour questions are concerned we have a divided jurisdiction in this country; the greater portion of our industrial workers comes under provincial labour jurisdiction, leaving only some 9 or 10 per cent under federal labour jurisdiction.

It is to that group that this bill would specifically apply, but we feel that there would be more to it, when enacted, than simply its direct benefits. In addition to providing the type of benefit it does for this group of people, if the federal parliament would enact legislation of this kind it would give a lead to the provinces and hasten the day when it will be a universally accepted fact, recognized in law, that workers are fully entitled to the benefit of holidays with pay, and that it should be not less than the period set out in this bill, namely, two weeks after one year's service.

Mr. Speaker, as members of this house know—at least those who have sat in this house before—the hon. member for Winnipeg North Centre is quite capable of occupying the full 40 minutes allowed to a member, but I do not think it is necessary to do so in connection with this bill. The matter has been debated several times in the house before, and it is something to which all parties are committed. I therefore hope that now that the measure is before the house it will receive support from the same quarters which supported it previously, namely my own party, the Conservative party and the Social Credit party. I hope too, that the Liberals will also see the light and go along with this bill so that it may become law.

I join with the Canadian Labour Congress in welcoming the fact that the new government has seen fit to propose legislation of this kind. As hon. members may know, it just so happened that having introduced this bill on previous occasions I caused it to be introduced

[Mr. Knowles (Winnipeg North Centre).]

on the very first day of this new session so that it is on the order paper ahead of the government's bill. I think that is a fortunate circumstance, for it means that the house can now come to grips, not only with the issue of holidays with pay but also with the issue of the length of holiday after one year's service that should now be the case. Therefore, Mr. Speaker, I have much pleasure in presenting this bill and I hope that the evidence I have given will indicate that it should now be passed by this House of Commons.

Mr. Speaker: Before further debate takes place I think I should perhaps supplement what I said previously because of the problem which arises where two similar bills are on the order paper. I indicated that neither had precedence over the other but that if a decision had been taken on one it might affect the status of the other and I did not read the full citation from May to which I referred. This appears in the fifteenth edition of May at page 499 and I think I should continue with the reading of it as it may have some bearing on the views of the house concerning this rather unusual situation. May says:

> There is no rule or custom which restrains the presentation of two or more bills relating to the same subject, and containing similar provisions. But if a decision of the house has already been taken on one such bill, for example, if the bill has been given or refused a second reading, the other is not proceeded with if it contains substantially the same provisions, and such a bill could not have been introduced on a motion for leave. But if a bill is withdrawn, after having made progress, another bill with the same objects may be proceeded with.

The reference in Bourinot is to be found in the fourth edition at page 548. I will not trouble to read that but I thought perhaps I should amplify what I said previously.

Mr. Arthur Maloney (Parkdale): Mr. Speaker, I rise to speak on this occasion with some diffidence but I would like to say a few words in respect to the bill which is being proposed by the hon. member for Winnipeg North Centre (Mr. Knowles). As has already been clearly intimated it is the intention of the government to introduce legislation which, it seems clear, from what has been said, respects the same principles that apparently are the concern of the hon. member for Winnipeg North Centre.

Annual paid vacations for workers are now generally recognized as desirable for the health, welfare and efficiency of employees. The major principle of any legislation directed to a subject matter of this sort is to ensure that a minimum period of paid vacations should be provided in law as one of the conditions of employment which an employer must be prepared to make effective in application to his employees.

In my opinion provisions for annual paid vacations for workers should not be left wholly in the discretion of employers or left entirely to collective bargaining. I feel that there should be federal vacations with pay legislation to complement the legislation enacted by the great majority of provinces in this field. Annual vacation plans more favourable than the minimum standard which the government legislation may contain in my opinion may be properly left to collective bargaining or to individual arrangements. I recognize that it is only by means of legislation that there can be an assurance that all workers whether organized or unorganized, and the welfare of everyone of whom must be our very real concern, will have an annual vacation with pay and that it will conform to a reasonable minimum standard.

It now remains to decide what constitutes a reasonable minimum standard in so far as legislation making provision for it is concerned. We have to bear in mind that vacations represent a cost to the employer and in my view a balance must be struck between the cost it is reasonable to impose on the employer by legislation, on the one hand, and the standards it is reasonable to require for workers, on the other. The effect on collective bargaining is a consideration that cannot escape us either.

The employer who makes an improvement in his vacation policy through collective bargaining or as required by legislation or otherwise will probably feel that this lessens his ability to grant wage increases or reduces the size of the wage increase he can afford to grant. On the other hand it may be assumed that a worker who enjoys an adequate annual vacation is a more productive worker. Thus it is very difficult to measure in cents per hour the exact cost to an employer of providing a vacation for his workers. These are matters that are threshed out around a bargaining table.

A union and an employer may decide to make improvements in vacation practices, in wages or in the pension plan but it will be mutually recognized that the employer may not be able to afford to do everything the union wants and they may both agree that improvements in the pension plan, for example, are more desirable than improvements in respect to the provisions of the plan in so far as vacations are concerned.

The essential point I think we should all bear in mind in considering legislation of this kind is that the legislative standard for vacations be not so high as to intrude unnecessarily upon the processes of collective bargaining but that it be high enough to establish a reasonable and adequate annual holiday standard and provide assurance of protection to those employees who are in need of it.

In considering what constitutes a proper standard it strikes me that we have to look at the practice prevailing in Canadian industry including those industries which come within federal jurisdiction and we must also look at the legislative provisions adopted by the provinces. Some type of plan with an annual vacation of at least one week's duration is almost universal in Canadian industry. Vacations of two and three weeks are also common and, here and there, even four-week vacations are making an appearance. The practice most commonly found in Canadian industry is to relate the length of the vacation to the length of service of the employee; thus plant workers in manufacturing customarily receive one week's vacation after their first year of employment, a two-week vacation after three to five years' service, and a three-week vacation after service of 15 years. There are variations in vacation policy but our research would indicate that these are the most widely adopted practices. Office workers on the other hand usually get two weeks' vacation after their first year of employment. These practices, an investigation indicates, are widely found in Canadian industry generally and they are also common in industries which fall within the federal jurisdiction.

I would like to say a word or two in reference to the standards set by legislation in effect in some of the provinces. The provinces of Ontario and Quebec set a minimum standard of one week with pay for each year of service. This, as I understand it, is also the standard adopted in New Brunswick in the case of the mining and construction industries. In the case of Alberta and Manitoba, they require one week after one year of employment and two weeks each year after a longer period of service, two years in Alberta and three years in Manitoba. Saskatchewan and British Columbia require two weeks after one year of employment.

Now in the light of the study we have given to this subject we would not agree that any legislation to be proposed to this house in respect to vacation practice should provide merely for a one-week vacation. On the other hand, three-week vacations are not legislated for in any jurisdiction and they hardly constitute a minimum standard.

It strikes me that we have to address ourselves to what constitutes a reasonable service requirement. To provide two weeks after only one year would not in my opinion be a reasonable minimum legislative standard since it is not commonly found in existing

provincial legislation, nor in practice, other than in the case, as I have already mentioned, of office workers. To provide two weeks after two years service is somewhat ahead of prevailing practice for non-office workers, and it is a little ahead of the legislative standards provided in a majority of the provinces.

In the light of all the factors I have mentioned it strikes me that what appears to be embodied in the bill which will be presented later on by the government, if it should be afforded the opportunity, and the standard contemplated in its proposed legislation make it the sounder of the two plans that this house will have an opportunity to consider.

The impact of legislation of this kind on industries within federal jurisdiction will be appreciable, even if it is not in the precise form proposed by the hon. member for Winnipeg North Centre. About 5,000 such workers are now employed in establishments which do not now grant two-week vacations. In most of the remaining establishments the effect will be confined to new employees who will now receive benefits which they otherwise would not enjoy.

Under the legislation the government has in mind the employees will certainly be assured—and many of them are not at present—of receiving to a very satisfactory degree the same benefits and privileges that are envisaged or contemplated in the bill of the hon. member now before the house for consideration.

It is in the light of the remarks I have just made that I would ask the hon. members to consider the legislation that is now before us.

Mr. J. A. Byrne (Kootenay East): Mr. Speaker,—

Mr. Stick: Don't talk it out.

Mr. Byrne: I can assure the hon. member who has just spoken that I have no intention of talking out this bill. I had made some preparation this afternoon to discuss the measure having to do with holidays with pay and had not expected that this bill would come before the house. However, there should be no difficulty in one making up one's mind as to the necessity for assuring every worker in this country at last a minimum of two weeks holiday with pay.

Legislation of this kind was introduced many years ago in the province of British Columbia by a former Liberal premier. Every workman has a holiday book and he, in one way or another, after working one month is provided with stamps which he inserts and which show that he has worked a month. I understand it transpires that after working 12 months he is entitled to two weeks holiday with pay. But, of course, the debate now resolves itself into whether we should support the measure brought forward by the hon. member for Winnipeg North Centre (Mr. Knowles) or the measure which is being introduced by the government.

The government had enough confidence in the hon. member for Winnipeg North Centre to offer him a very responsible position in this house. I wonder whether they should not just accept the legislation brought forward by the hon. member. It differs so little, the exception being that it assures everyone of two weeks pay.

The matter of procedure and order was raised and subsequently dealt with by the Speaker, which does leave me with some apprehension as to what might be the result if this measure introduced by the hon. member for Winnipeg North Centre were defeated. If, as Mr. Speaker has indicated, a decision has been rendered and it should be an adverse one, then it follows that the bill could not be re-introduced. Whether the government bill has proceeded far enough so that it is not a question of it being re-introduced is perhaps a matter for decision, but before the vote is taken certainly the house should be made aware of the procedure that may be followed.

It is true that in industry and no doubt in government service there is some difference with respect to the length of service and as to the number of days or weeks holiday that one may expect to receive, but certainly a one-week holiday is not a holiday. In these days of enlightenment, when very often in industry we have a four-day weekend,—that is only considered a long weekend—five days is a normal work week in Canada. Hence one week cannot be considered as a holiday. Two weeks should be the minimum that anyone would be receiving.

In the particular industry in which I work, after a year's service the employee receives a two weeks' holiday with pay; after 15 years service he receives a three weeks' holiday with pay; and after having attained the 25-year mark, he is eligible for a four weeks' holiday with pay. Of course, he has been normally working a five-day week. That is something which we do not expect to be put into legislation but we should not be niggardly and expect anyone to have less than the actual two weeks.

There is another aspect of this matter. It has been reported that this winter unemployment may reach the 900,000 mark or even the 1 million mark. We have found, particularly in our industry, that the giving of holidays requires quite a large amount of extra labour. Some of it may be temporary labour, but in

the main it requires a larger staff. In the face of this impending disaster, if it comes about —and certainly the situation is serious enough at this present moment—I think that the government should either incorporate in their legislation this bill which has been introduced by the hon. member for Winnipeg North Centre or decide to move an amendment of their own which will give the same coverage. I do not remember whether or not I was here at the moment when the vote was taken.

Mr. Knowles (Winnipeg North Centre): No, the hon. member did not vote against the bill. He apparently was not present at the time.

Mr. Byrne: I want to assure the hon. member that it was because I must have been absent from Ottawa at the time because it has been my practice to vote for labour measures which seem to have about them a measure of responsibility and reasonableness. For my part I am prepared—and I am speaking for myself only—to support the bill.

Mr. C. E. Johnston (Bow River): Mr. Speaker, I do not intend to take very long in speaking on this measure. It is well known that this bill has previously been before this house and that to it the Social Credit party has given its full support. We favour giving to the working people of this country a holiday of at least two weeks out of the year with pay, particularly under the present conditions of unemployment prevailing in this country where we have such a large number of unemployed, as indicated by the hon. member who spoke previously. We believe that some of these people who are going to be unemployed would benefit by such a bill as this if it were passed in this house.

A moment ago it was stated that two bills were before the house, one introduced by the government and the present Bill No. 2 in the name of the hon. member for Winnipeg North Centre (Mr. Knowles). Actually, though, we are concerned only with this one bill. Hence that is the one to which we must give our attention. In the past we have always supported any progressive legislation that was in the interests of the labouring people of this country. We see no reason why we should now change our stand. We therefore intend to give this bill our support.

Mr. F. C. Stinson (York Centre): Mr. Speaker, I am pleased to have the opportunity of participating in this debate having to do with a bill providing for statutory annual vacations with pay. Some years ago, before the legislation in this field was introduced in the province of Ontario, I can remember speaking with a man who, by misfortune, had moved around from job to job in the course of his working lifetime and had never in that period enjoyed one week of vacation with pay. At that time I decided that if the opportunity came to me to say anything on this matter in any legislature or in the parliament of Canada I would do what I could to help put on the statute books a measure which would make it obligatory for employers to provide vacations with pay for their employees. Since that time much legislation has been passed in this field. In six of the provinces of Canada there is general legislation covering all industries under provincial jurisdiction and in one province I understand there is limited legislation in this field.

When considering the potential effects of this legislation, however, I think hon. members should keep in mind the fact that about one-half of the employees under federal labour jurisdiction already obtain benefits which are contemplated in the bill proposed by the hon. member for Winnipeg North Centre (Mr. Knowles) and that some 90 per cent of the employees under federal labour jurisdiction qualify for two weeks' vacation with pay after a period of employment of three years.

When giving this bill consideration, Mr. Speaker, I think we must consider seriously the possible invasion of the rights of employers in the industries covered by this legislation, inasmuch as it may be that many employers and employees, through the collective bargaining process in these industries, may come up with other benefits which would be of greater significance and greater value than might be provided by the giving of two weeks' vacation with pay under the statutes. It therefore seems to me that we would do well to consider that fact carefully and to consider the advisability of limiting this proposal to the giving of one week's vacation with pay after the completion of one year's employment in the industries under federal labour jurisdiction.

To a newcomer here, Mr. Speaker, sitting on this side of the house it is interesting to look across the way today and to see how few supporters of the former government occupy those benches when they all had full notice that an important measure of this kind was to be under debate this afternoon.

Mr. Pickersgill: Look at the other side.

Mr. Ellis: Look around at your own side.

Mr. Stinson: It seems to me also of some real significance that for the first time in the history of this country a government is bringing forward legislation of this kind and it is legislation proposed by a Conservative government.

(Translation):

Mr. Theogene Ricard (St. Hyacinthe-Bagot): Mr. Speaker, it had not been my intention to speak today, but since my constituency is half agricultural and half industrial I believe it is my duty to offer a few remarks on the question at present under discussion.

I would have liked to wait a little longer, but I am certainly happy to be able to speak on behalf of those who have sent me here.

Every member of this house will certainly agree that annual holidays with pay for workers are now necessary. This fact has been long recognized by the workers themselves. When they joined together in labour unions they put the matter of paid holidays to the forefront of their demands. We believe that parliament must act in order to ensure at least a minimum holiday for all workers. Should parliament fail to act, arbitrary measures could possibly be taken against workers.

If employees on the one hand and employers on the other should agree to paid holidays even more favourable than those provided by this legislation or by the proposal under discussion at this time, they are quite free to do so. Without in any way interfering in collective bargaining, I believe that the present proposal is certainly such as to grant the demands and wishes of workers. That is why I shall certainly be happy as representative of the constituency which is partly industrial, to give it my support.

The cost of holidays must therefore be proportioned to the salary of the employee because, if it is too high, it necessarily follows that workers will possibly have to give up other benefits such as pension plans, health insurance, or recreational facilities for employees themselves or their families.

The general rule prevailing within the industry falls short of the proposal put forward by the member for Winnipeg North Centre (Mr. Knowles). I wonder, though, if we would not be acting against the best interests of employees if we were to go as far as the hon. member wishes us to go.

I therefore would like the house to give every possible consideration to the proposal now under discussion so that our working people may enjoy the privileges they are entitled to, which are their due and which they so richly deserve.

[Mr. Stinson.]

(Text):

Mr. A. R. Smith (Calgary South): Mr. Speaker, I am very happy to be associated with those who have already stated with some enthusiasm their support for the intent of the bill which is before us. I think it speaks well for this house that there is such a substantial extent of general agreement, not only as to the principle of this bill but also as to the legislation which will unquestionably be placed before us.

Mr. Ellis: Is the hon. member in favour of the two weeks?

Mr. Smith (Calgary South): I liked, too, the references made by the hon. member for Bow River (Mr. Johnston) to the position which his party had taken, and indeed for which I must give them credit, in the provincial legislature, in co-operation with industry as a whole, in recognizing the change of pace in our economy. We must recognize the fact that industry has outgrown those days when they were endeavouring to limit the ordinary opportunities of the labouring force.

Mr. Byrne: Six o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

GRAIN

MEASURE TO PROVIDE CASH ADVANCES ON FARM-STORED GRAIN

The house resumed consideration of the motion of Mr. Harkness (for Mr. Churchill) for the second reading of Bill No. 14, to provide for advance payments for prairie grain prior to delivery thereof.

Mr. C. E. Johnston (Bow River): Mr. Speaker, if this legislation means anything at all I think it should be that it is intended to give immediate relief to the farmers who are in dire need of cash. It is, I believe, well understood or it should be, by every member of this house that the only possible way the farmer has been able to keep going at all is by the local grocery man, the local butcher and machine agent supplying the farmers with goods, repairs and machinery on time; in other words, they have been financing these farmers.

It was hoped that this legislation would provide a means whereby the farmers would get a little cash to meet these obligations, because it goes without saying that these people who have been assisting the farmers cannot long continue to finance them. Therefore the cash which is to be given through

cash advances should be intended for use in relieving these local financial obligations, but according to clause 18 of the bill something of a damper is put on that idea. In a great many cases, as I indicated before six o'clock, a great part of this money is not going to be forthcoming because this very bill has made provisions for the government to have the first claim on these cash advances.

As I also pointed out, about two-thirds of our farmers in western Canada will receive only the small amount of approximately $900 and if you take off the amount of money which would be owing under the Prairie Grain Producers Interim Financing Act there is not going to be very much left. I would recommend to the government and to every member of this house that clause 18 be withdrawn because the government is certainly setting an example by including this clause and encouraging all other creditors to make pressing demands on the farmer in order to get as much of this cash advance as they can before the farmer has an opportunity to use it for the needs of his family and to pay up all the small obligations incurred throughout the community.

Now at best this legislation is of a very temporary nature. It cannot be considered in any sense as a solution of the farmers' problems. It is certainly time that the government brought down measures or at least indicated to this house their intention of making good their election promises, not only to regain our lost markets but to get some new ones. Now nothing very noticeable has been done so far in the way of fulfilling these promises. They turned down the only practicable offer and that was the one proposed by the United Kingdom government. We had been given to understand from the speech from the throne and throughout this debate that this government was going to bring down legislation which would increase our sales but when I read over the speech which the Minister of Agriculture made on October 28 I was somewhat confused, for on page 458, towards the latter part of the first column the minister had this to say about the prospects of increased sales of our agricultural products.

> Our sales to the United Kingdom and Europe this crop year should compare favourably with last crop year.

Now that certainly does not indicate any bright prospects for agriculture; it means in fact that this government does not intend to do anything different in the way of increasing our sales from what was done by the former government. In fact up to the present moment our sales have been less than for the corresponding period last year.

The minister himself does not indicate that it will be any better than it was last year. Now unless something is done to increase our sales abroad it is certainly not going to bring much relief to the agricultural industry in western Canada. The Minister of Agriculture when presenting this bill the other day on behalf of the Minister of Trade and Commerce (Mr. Churchill) made reference to his trip to the United States and the discussions there with respect to the prospects of increased trade. He said hopes were quite good and that things were going along quite satisfactorily as far as discussions with the United States were concerned. He condemned the United States government for the methods they employed in getting rid of their surplus products and referred particularly to the give-away program and the barter deals. He said the impression was, as has also been indicated in the press, that these transactions would cease or at least be lessened. However when you read the minister's speech I do not think you can get that out of it at all because at page 458 of *Hansard* of October 28, the Minister of Agriculture had this to say:

> "I should perhaps explain to the house that, in effect, this barter program has been only a concealed form of additional subsidy by the United States. The result has been to reduce normal United States commercial sales as well as hurt the Canadian competitive position."

Here is the most important part:

> "We found that our United States colleagues agreed in the main with this point of view and they affirmed to us their intention that before approving further barter transactions they would require proof that those transactions would result in additional sales."

It surely cannot be true to say that this is any change in the United States policy or that any promises given to our government would have the effect of lessening the barter deals. This cabinet committee commission which was sent by the government to the United States came back and reported that prospects were better. What could be further from the truth? The United States told that committee and the minister has in his own words told the house that those transactions will result in additional sales. For whom? For the United States, certainly not for us.

Of course the United States in their disposal program has never adopted any other attitude and these give-away programs and barter deals have one purpose and one purpose only, to increase the sales of the United States surplus products. That is exactly what they told the Canadian delegation in Washington and anybody who thinks this government is making proposals which are going to increase our foreign markets had better take a closer look at the words of the Minister of Agriculture the other day.

Grain

During the recent election campaign in Alberta Conservative candidates made no bones about the fact that if the Conservative party was elected sterling would be accepted in exchange for sales, at least in sufficient amounts to balance our trade with Great Britain. However, the Minister of Finance (Mr. Fleming) said in the house the other day that such was not the case and that the government had no intention of accepting sterling. All right, how does this government propose to increase our trade? How does it propose to regain these lost markets and to find new markets?

An hon. Member: China.

Mr. Johnston (Bow River): The government just has no policy whatsoever, as far as we in this house are concerned there has been no evidence of increases in our trade with British markets by the acceptance of sterling. That was one of the solemn promises given by the Conservative candidate in the Bow River federal constituency.

An hon. Member: He will be the member next time.

Mr. Johnston (Bow River): Oh no he will not. He will never be the member there as long as we decide to run a Social Credit candidate, do not make any mistake about that.

Mr. Knowles (Winnipeg North Centre): What is the date for the next time?

Mr. Johnston (Bow River): That is not something which concerns me. I have never taken a political stand on this question. All I am trying to do is put the facts before the house, but since the Conservative candidates make these statements on behalf of their party I would invite the member for Calgary North, the Minister of Agriculture, to get up and deny that the Conservative candidate made any such promise on behalf of his party.

Mr. Harkness: Mr. Speaker, I am very glad to rise on this occasion. I have no knowledge as to what the Conservative candidate in Bow River said to the hon. member's constituents but I can say definitely that I have never made any such statements and the leader of this party has never made any such statements.

Mr. Byrne: You were elected on false pretences then.

Mr. Johnston (Bow River): When I speak on the address in reply to the speech from the throne I intend to deal with that very thing, and I will have the evidence with me to show that the leader of that party, the Prime Minister in 1953 made that declaration in voting for the amendment which the Social Credit party introduced in this house at that time, and not only did the Prime Minister vote for that amendment, which asked for the acceptance of sterling, but one of his cabinet ministers, the present Minister of Labour (Mr. Starr), and four hon. members who are now parliamentary assistants stood up beside him and voted also, while some of the others in the Conservative party would have liked to have voted that way but who did not have the gumption stood behind the curtain.

Now the Minister of Agriculture (Mr. Harkness) says no such promise was made. I can tell him that the Conservative candidate in my riding did make that promise in my presence at several public meetings, and many hon. members could confirm this and say the same thing with regard to their constituencies. So do not let the government back out from this deal, too, as they are trying to back out from barter exchanges; as they are trying to back out from the acceptance of sterling; and as they backed out from accepting the United Kingdom proposals. What have they got to propose?

Mr. Harkness: We backed out from nothing—

Mr. Johnston (Bow River): You backed out from everything that has been worth while. This legislation on cash advances is brought down because it was the only thing that would save your political necks, and because every party in the house except the Liberals thought it should be done. It was public pressure that brought this bill about.

Mr. Harkness: I know you are worried. This is only the first instalment, too.

Mr. Johnston (Bow River): Make no mistake about it, we are not worried; we can handle these Conservatives any time they come along, and the bigger they are the better we like it.

Mr. Speaker, I think the government will be well advised in the interests of the farmers of western Canada to have clause 18 withdrawn from this bill. They will be well advised, too, to bring down legislation this session which will make it possible to give our farmers what they have asked for for so long, and what they deserve, that is their fair share of the national income.

Mr. William Bryce (Selkirk): Mr. Speaker, I want to rise at this time to let people know where I stand with regard to this bill. I want to support it, of course, as hon. members know, although I do not think it

goes quite far enough. It seems there is nothing we can do about that. Someone said today that half a loaf is better than none, and I am looking on the measure now before us in that way.

I have risen in this house on many occasions to plead the cause of the farmer and never got anything. This time I am getting a little, and I am quite well pleased. When farmers get into difficulties they go into the towns, and when that happens they compete for employment on the labour market. Surely it is right that the government should try to keep the farmers on the land. As I stated, many of those who leave the farm go into the towns, see the bright lights, find that they can make a living there, and then decide they are not going back again. That is one of the reasons why we have fewer farmers today.

This bill will be of some help to agriculture, though I think everyone agrees it is not enough. But it is something. The position of the Canadian farmer today when he cannot sell his crop is a serious one. Hon. members must realize that he has no wages, no other source of revenue of any kind. When he gets his advance payment he will have to share it with the storekeeper, the oil man, the implement agent and, no doubt, the bank, because on the farmers' dollar, or business—call it what you like—the whole agricultural economy depends. The advance payment will be like a blood transfusion to a sick man, but it is going to take a lot of transfusions to bring the agricultural economy back into a healthy state again.

It has been suggested that the grain farmer should raise hogs and cattle. We have a surplus of wheat at the present time, and I am sure some of the hon. members who were here in 1943 and 1944 when we were producing hogs in a bigger way than any other country in the world know how many hogs we are capable of producing and realize that we would have a surplus of hogs and, no doubt, a surplus of cattle in three years' time if this policy was followed.

I think that by now almost everything has been said that could be said both for and against the bill, and I suggest that we should have a vote in order to enable the farmers to get the advance payment. However, there is one point I wish to draw to the minister's attention. In some districts, where we have five or six elevators in line, a farmer has the privilege of delivering to any one of them. But if we move further out into the country we arrive at points which have only one elevator. A man living in that area can go nowhere else; he is bound to sell to that one elevator, and take all the dirt that the elevator agent likes to dish up to him. Why cannot the government give him the right to go to one other elevator, the one either to the east or west?

Since I was appealing to my colleagues to let us have this vote and let the farmer get the money, I think it would be better if I raised this matter again later when the estimates of the Minister of Trade and Commerce (Mr. Churchill) come up for consideration, and explain further what I have in mind. I think the minister knows already, because this is obviously something that should be corrected.

Mr. Irvin Studer (Swift Current-Maple Creek): Mr. Speaker, it is certainly not my wish to delay the passage of this bill, but if you will permit me to say a few words that might have the effect of encouraging those who may not be inclined to support this bill, the effort might be worth while. Everyone knows that the operation of this bill will put money into circulation, as has been said time and time again in the course of this debate, and of course when money is in circulation that is good not only for the direct recipients but for all the people in Canada. I believe everyone can support this bill in the hope that if the present government implements its agricultural policy—the one I hold in my hand—great things are in store for the farmers of Canada. The farmers will be watching this government's agricultural policy with great expectation, and hoping for action at the earliest possible moment.

I would just like to mention that if the former government did not progress with the supplying of advances on approved farm-stored grain as rapidly as hon. members think it should, perhaps it was because it had an alternative policy which was the acceleration of the sale of wheat which in itself would eliminate the necessity of the proposal we have before us today. Unfortunately, however, the election of June 10 terminated that effort and at the moment we have from the present government an admission that irrespective of how they thought they were going to sell wheat prior to June 10 it could not be accomplished in that way and thus we have the alternative of paying advances on farm-stored grain.

I would like to deal briefly with some of the criticism that has been offered by our Social Credit friends, most of which has been directed this way, that is to say toward the former government. I should mention also the criticism raised by the socialist members in this house who have spent most of their time in what perhaps could be best described, according to their interpretation, as kicking

a dead horse because in every one of their pronouncements they have said that the Liberal party is dead.

Mr. Argue: The dead horse is very noisy.

Mr. Ellis: The Liberal party is dead.

Mr. Studer: If a party is capable of commanding 41 per cent of the popular vote of this country as compared to the next party standing of 39 per cent of the popular vote I do not think that party can be accurately described as dead. I suggest to my hon. friends that when the next election takes place that 41 per cent of the people of this country may have something to say in regard to this.

Mr. Small: Well, bring them on.

Mr. Studer: I would suggest to my socialist friends that they take care of their own percentage of the popular vote and dwell on that because their standing has consistently deteriorated over the past year in terms of the percentage of the popular vote they are able to command in Canada. I would suggest also to them and to all hon. members in the opposition that we direct our criticism not at the former government but at the new one. Let us all try to improve its policies in order to accomplish something that will be of benefit to the farmers of western Canada.

To those hon. members who represent eastern constituencies I would suggest that they can support this legislation knowing that after the next election the Liberals will make all the benefits included in it available to all agricultural producers in Canada.

Mr. Fraser: You want to watch it, the alarm clock might go off.

Mr. Studer: There is something of benefit to the producers in this legislation because it supplies them with the purchasing power they badly need. Every one knows that we cannot spend money twice and the funds spent in the form of cash advances cannot be spent six or eight months from now. The national economy can easily absorb whatever the farmers can afford to spend. This will be of benefit to business because the money which is made available will be automatically spent by the farmers. They have never been known as hoarders; they have always spent their money as fast or sometimes a little faster than they receive it and they will do so again in this instance. We are the best people in the nation to keep the country's economy rolling.

Regardless of what some critics of the past Liberal bank loan legislation say, it will be of benefit to the banks. I think it is the greatest windfall the banks ever fell into. Under the previous policy the banks receive 5 per cent interest on outstanding loans of approximately $8 million. Under this legislation, without lifting a finger, taking applications or doing a single thing the banks will receive 4¼ per cent interest on a maximum of $150 million. If that is not a windfall, what is?

In any event everyone is going to benefit under this proposal and in view of this I think we can give it our support and vote for it.

Mr. F. G. J. Hahn (New Westminster): It is apparent, Mr. Speaker, that every hon. member of every party in this house who has taken part in this debate has indicated that he is wholeheartedly in support of this legislation, or at least the general principle behind it. I am sure that if as was suggested by the hon. member for Swift Current-Maple Creek (Mr. Studer) the benefits were to be extended to all other classes of agriculture it would be most desirable and would win unanimous support.

The Social Credit group, the C.C.F. group, and when it was in opposition the Conservative group, indicated that they wanted this legislation and now the Liberal group has indicated that it also wants it. In fact, a few moments ago the hon. member who was speaking suggested that if the Liberal party again formed the government of this country they would want to ensure that the benefits of this legislation are extended to all classes of agriculture.

As I listened to the hon. gentleman who just resumed his seat I wondered if this theme might not become the next election cry. I can hear the voices of Conservative candidates in my own riding clamouring, "Re-elect us and we will see to it that the principle of cash advances is extended to other fields of agriculture as well".

My reason for supporting this legislation differs from the reason of the western grain growers. For the past few years in this house I have drawn attention to the need for a change in the legislation with respect to the wheat board to make it possible for the livestock and poultry producer of British Columbia to receive grain at the fire-sale prices at which it is made available to the prairie poultry and livestock producer. I see that the former minister of agriculture is nodding his head in agreement. This has been my plea for some years.

Mr. Gardiner: If I am nodding my head I must have Saint Vitus' dance.

Mr. Fraser: You had better put your head in a brace.

Mr. Hahn: It is apparent to me that at least theoretically there is the possibility that the prairie farmer is going to have to have a lien or some other form of agreement attached to the sale of his wheat so it will not be offered for sale to his neighbouring poultry and livestock producer at the ridiculous price of $18 to $20 a ton. This being the case it will put the prairie livestock and poultry producer in the position where he will have to pay the wheat board price for grain. I hope that in turn this will assist those particular industries in my own province to get back on their feet again for they have lost many sales of their own products by reason of the fact that they could not compete with these fire-sale prices.

This legislation was described yesterday by the hon. member for Yorkton (Mr. Castleden) as being legislation of an emergency nature. I must admit I have been in the house for only a few years but I fail to see how what has been a chronic condition which has existed in this country for a long time should suddenly become an emergency situation. For this reason I suggest that the legislation has been designed to meet a long-standing chronic condition in a stop-gap fashion. I would like very much to see the same kind of legislation extended to the fruit and vegetable growers of the province of British Columbia and eventually to all agriculturists in Canada.

I can appreciate that both the present and former ministers of agriculture say that such a measure would be impractical at this time and that it is necessary to get this legislation through the house in order that the prairie farmers might get funds which they badly need to buy the apples of British Columbia and other produce and for this reason I will be only too happy to see this legislation go into effect as quickly as possible.

However, it does not detract from the need for legislation to assist the fruit grower, the potato grower and other segments of the agricultural industry of Canada today.

The government of the day has indicated time and time again that it is concerned with the fact that the agricultural industry in this country is in a depressed state, and this condition applies not only to the grain growers of the prairies. For instance, we find in today's paper that the apple growers of Lebanon are going to sell their apples to Great Britain. That immediately causes me some concern because I begin to wonder what is to happen to the apples from the Okanagan valley of British Columbia which we have been accustomed to sell to Great Britain. Certainly if there is one thing that the government of the day has proven to us it is that while it may have a 13-point program for agriculture it has not set it to work very quickly.

An hon. Member: George!

Mr. Hahn: I hear some groans behind me. I have not seen the 13-point program. It may be that it was not desirable to show it in my particular riding. I am interested in knowing what it does say. How does it intend to stabilize the agricultural industry of this country?

This legislation is stop-gap legislation to assist the prairie grain grower and the wheat farmers of the prairies. It is not going to help us particularly on the Pacific coast other than possibly—and I say theoretically—helping the grower of livestock and poultry. Does the program say what my Conservative opponent said throughout the campaign? The hon. member for Bow River (Mr. Johnston) drew attention to what his opponent said. It does seem strange to me that it does not matter what riding one represents, except the hon. gentlemen who are now occupying the Conservative benches in the house, every candidate who ran in this country for the Conservatives said that this government, if elected, was going to accept sterling. Here are the exact words of my opponent. He said:

> A vote for me is a vote for John Diefenbaker. We will see the farmer get—

Mr. Speaker: Order. May I interrupt the hon. member. Some time ago I stopped the minister because it appeared that quite a number of other members wished to take part in the debate on this bill. It has been a pretty free ranging debate tonight, dealing with almost everything but the bill. If the hon. member would go back to the principle of the bill, which has to do with cash advances to the grain growers of the west, I would appreciate it.

Mr. Hahn: Mr. Speaker, I am very glad to do that. I did note that a good number of other members were drawing attention to these matters and it was in that same frame of mind that I was drawing to your attention what the gentleman who opposed me had to say with respect to the matter.

I am sure you will appreciate that while the bill that is before us has to do with cash advances, the providing of advance payments for prairie grain, you will also appreciate that this whole question is interlocked with the need for getting rid of this particular grain and it is in that vein that I speak. We have those individuals who are claiming that this government is going to accept sterling. I for one am interested in knowing exactly what the point of view might be.

Mr. Harkness: Order.

Mr. Hahn: The minister says "order". It is not too pleasing to his ear to hear some of these things. I can appreciate that.

When we were discussing this same question of cash advances for grain stored on the farm in former years we suggested that we should sell our crop and accept sterling. The hon. member for Bow River indicated a while ago that two or three of the new parliamentary assistants voted for the amendment that we proposed on November 26, 1953. I think the house might like to know exactly those who were in favour of accepting sterling. On the list I see the names of the parliamentary assistant to the Minister of Trade and Commerce (Mr. Bell); the parliamentary assistant to the Minister of Agriculture (Mr. Charlton); the present Prime Minister (Mr. Diefenbaker); the parliamentary assistant to the Minister of Public Works (Mr. Hodgson); the Minister of Labour (Mr. Starr) and four or five others, one or two of whom are not with us today. You will gather, sir, that there is a need for the government of this country to find a way or a means of disposing of the surplus products, the goods that we have, rather than resorting completely to this particular measure which is only a temporary measure.

You will recall reading, as I have done, that the one-time prime minister of Canada, Sir Robert Borden, brought in a measure on a temporary basis. That measure was so temporary that it is with us today. I refer to the income tax. How temporary is this going to be? Is it going to be the solution of the particular economic problems that face us today? This is a question that we must be prepared to answer and to take responsibility for.

This government has promised an over-all agricultural policy which will get rid of our products. It has brought in a measure having to do with cash advances on grain stored on the farm. No one is opposing this particular measure but we would be interested in hearing the minister's reflections on this particular question. What is going to be done with the grain after it has been delivered and the cash advances made? How is the government going to get rid of it? Are they going to receive it in one place and bury it in another?

Mr. A. M. Campbell (The Battlefords): Mr. Speaker, I fully intended to let this measure go through without saying anything about it; but representatives from the grain-growing areas and a good many others have taken part in the debate and perhaps my constituents would be disappointed if I did not have at least a few words to say on it and I can assure you they will not be long.

I have heard a good many optimistic speeches during last night and today about what this bill will do toward putting money in the hands of the farmers. When I listened to some of the new members sitting on the government benches I had the impression that they seemed to think that the government of the day has all the answers. I want to warn them at this point that this is a huge problem and it is going to take all the brains that they have and probably a few more before it is solved.

As far as putting money into the hands of the farmers is concerned—that is what I am mainly interested in—there is one clause in this bill that I am a little worried about. This clause says that if a farmer has borrowed money under the interim financing act of 1956 that money will have to be repaid out of those cash advances. In my district last year our quota was four bushels to the acre and a good many of the farmers in the district were not able to deliver even that amount of grain. When I left home this year very few of them had been able to deliver the initial quota although they were on a one-bushel quota. The people who were not able to deliver more than five bushels per acre last year were not in a position to repay those loans; it was impossible for them to do so. If, when they get an advance this year on this year's crop, they have to repay those loans there will not be very much money in their pockets.

That is the question that is bothering me. Perhaps the Minister of Agriculture (Mr. Harkness) who is piloting the bill through the house may have the answer to it. However, I just want to warn the government that many of the farmers will not get much benefit from this legislation.

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, because of the number of speeches that have been made on this bill it may be interpreted that hon. members coming from ridings that are not predominantly wheat-growing ones are not entirely sympathetic to the bill. It may also be miscontrued that hon. members on this side of the house are also hopeful that when this legislation is passed something further is going to be done to assist the diversified farmer or the small tree fruit grower.

In my riding we have tree fruit growers in certain areas who are in quite dire circumstances. These people market their product through a central selling agency, receiving perhaps a small down payment. Yet they have capital tied up for a year or maybe two years.

It is conceivable that they may wish to borrow money on the certificates which they have. There are other circumstances which are even more trying in that many of the small fruit growers, even this year, were obliged to allow the fruit either to rot on the trees or to pick it and take it to a suitable dump because they were unable to market their fruit. Only 80 miles away from where my home is cherries were selling at a price of $8 a crate. Yet they were rotting on the trees because there was no market. All of these difficulties will have to be ironed out.

I am going to support the bill. Since I have been in this house for the past nine years there have been more bills and more measures dealing with the wheat problem and the wheat farmers on the prairies and I have supported them all along the line. I realize that they are under grave difficulties at this time. But I do not want some of the new members on the government side or the members of the C.C.F. party to think that I swallow everything that they say about the conditions or about why these conditions have arisen. For instance, the hon. member for Yorkton (Mr. Castleden) had this to say last evening about the reasons for the circumstances that prevail on the prairies at this time. I am reading from page 491 of *Hansard*:

> The producers are not responsible for the condition which exists but they are forced under legislation to sell their grain to the wheat board.

Of course he qualified that statement by saying this:

> They asked for it and the government adopted the plan.

He might as well say, "They asked for it and they got it." The farmers asked for the wheat board; they wanted it set up. It was not the miners in Kimberley or the fruit growers in Creston. The farmers asked for it, it was set up. Now, of course, they say that it was because the board was operating under a Liberal government that they did not sell grain. If a board is set up and is going to be directed entirely by any government, then it is not a board at all. I therefore do not think the blame is entirely on the administration. Of course, the hon. member for Yorkton started to say that it was the administration that was responsible for the situation and then he went on to say that it was the give-away policies of the United States. At least we have in this western hemisphere some countries that are prepared to do something for the underdeveloped countries. They are willing to give some wheat away. That should be the charitable attitude of many of the members of this house and they should not say that the circumstances under which they find themselves are brought about owing to the charity of some other government.

There was another member over here who dragged out that old story that we have heard for nine years. I hope that all the new members over there do not feel obligated to tell us about the circumstances in which they contributed $600 million to the economy of this country by having a fixed price during the war and immediately after it. We have heard all that before and, in my opinion, much of it is nonsense. We had price fixing during the war. We had wage regulations during the war. If they want the truth of the matter, I can recall working in the mines producing the lead and zinc for the war effort, and I can recall the time when up to 300 or 400 miners sold their automobiles out on the prairies where wheat was being sold. The miners just could not get the gasoline. They were being taxed to such an extent that they could not afford to operate their cars. The cars were being sold out on the prairies. I am not kicking about this matter. However, let us not have too much of this talk about hard luck. We are going along with it but some time we are just going to get tired.

There is another speech to which I take some exception. I think it is despicable that a member of this house, having sat with one of his hon. colleagues for many years, should stoop to attack that member as if that member were completely dishonest, and charge him with certain things when it was impossible for him to appear on the floor of the house and defend himself. I am referring to the speech made last evening by the hon. member for Humboldt-Melfort (Mr. Bryson). The hon. member seemed to imply that the former member for Moose Jaw-Lake Centre was running a dishonest bootleg joint, not in rye but in wheat. He had this to say. While he had not mentioned the former member up to this point, as reported at page 484 of *Hansard* of October 28, he said this:

> It is an offer to buy wheat provided that the farmer delivers it to a point specified in this advertisement for a cent a pound. This applies to No. 5 and No. 6 wheat which today are selling on the market for 97 cents a bushel.

What market? We understand that there are on the western prairies a billion bushels of wheat for which there is no market. This former member apparently is offering to buy wheat at 60 cents a bushel. Of course the hon. member points out that the market price, if there was a market, is 97 cents a bushel. But he fails to point out that the freight charges on a bushel of wheat to the lakehead is 20 cents a bushel. Therefore, if his figures are correct,—and of

course I have no reason to doubt them—that would make the price of that wheat delivered to the elevator 97 cents less 20 cents which is 77 cents.

Mr. Harkness: The hon. member had better learn something about the wheat business.

Mr. Byrne: I know that in the Lethbridge marketing area the farmers are going to the feed lots and selling wheat at 60 cents a bushel. They were glad to get the cash. Now, this was an advertisement, and it was not forced upon anyone. A man is in business, and I presume he is feeding the wheat to feeder cattle. If that is a crime, there are a great number of people throughout this country committing that crime. At least he has gone out to find a market for wheat, found the wheat and disposed of it. I think it ill behooves a member to attack this gentleman because of his enterprise, and certainly I would not like to hear any more of that.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, when the resolution was before us I said I would support the principle of the legislation because I understood the payments were to be made available through elevator agents and that they were to be made available interest free. These two facts are correct, and I shall not change my position. I certainly feel that the elevator agents in western Canada are the people who best know the business of the local farmer. They are friends of the farmer, and they are held in high regard by their farmer customers. They are certainly the people who are best able to handle the cash advances.

I disagree with the hon. member for Melville (Mr. Gardiner) when he contends that the old bank loan scheme is superior to the legislation that is before us. I believe it will be only a matter of weeks until the amount of money taken up under this measure will show the hon. member was just as wrong in the statement he made as to the amount of money that would be taken under this legislation as compared with the amount of money paid out to farmers under the other legislation as he was in other statements that he has made in this house in recent days. Over the years I have noticed that the hon. member for Melville very often, not only gets himself into hot water with the statements he makes but causes great anxiety and a great disturbance in his own party. On so many occasions we have seen the hon. member taken to task in this house by the leader of his own party or another colleague in the cabinet.

Mr. Gardiner: I consider where it comes from.

[Mr. Byrne.]

Mr. Argue: I think you are speaking about your own statement when you make that interjection.

There is one part of this bill that I feel is far from adequate. I had hoped that when the government was considering the payment of cash advances that in setting forth the quota on which cash advances would be made they would have guaranteed that the farmer would have an opportunity of delivering grain against that quota so that at the end of that crop year, or at some later date if the quota should not be available, the farmer would have an opportunity of delivering, in this case six bushels of wheat, against an advance that was being made in the current crop year. I had hoped that the government would not do as they have done in this legislation, and that is give no guarantee at all as to the quota that the farmer may have at any given marketing point.

Moreover, there is a stipulation in precise terms that if the 6-bushel quota is not available at any marketing point and an individual farmer has taken advantage of this legislation, the balance he owes will be a first claim against grain he draws in the succeeding crop year. In other words, there is no guarantee in this legislation as to marketing opportunities that western wheat producers will have in this crop year or in any other crop year.

This legislation is going to be of advantage on a very temporary basis. It is going to do exactly what the minister has said. It is going to mean that out of the national treasury this crop year will come somewhere between $2 million and $3 million to pay the interest charged against the money advanced under this legislation, and that is the sum total of the real effect in economic terms. It will do the other things we have been saying it will do, should do, and which are of advantage, namely it will make a large sum of money available within a matter of weeks.

The benefit during this crop year is going to be small, particularly small because there is no guarantee that the 6-bushel quota will be available or that the farmer will have an opportunity to deliver six bushels. How could that be done? It could be done very simply. It may not be possible, it is true, to have a 6-bushel quota at every marketing point, although as other members have said the promises that were held out to the western electorate caused us to expect that a 6-bushel quota would be no trouble at all. If a 6-bushel quota is not available at a marketing point, a farmer has not an opportunity of discharging his obligation under this legislation. It would not be difficult to provide

a supplementary quota at that marketing point equal to the amount of the quota that could not be delivered in the current crop year. In other words, if farmers at a marketing point had an opportunity of delivering five bushels on the quota this year, then a supplementary quota of one bushel could be made available in the following crop year. In this way all producers in the various marketing points would have the same opportunity of delivering grain.

Under this legislation, however, there is no guarantee as to what market will be available for grain. I feel that is a very serious omission. If we had turned the corner, if we had reached the bottom and were on the way up in regard to markets, we would not be as concerned as we are. From August 1 to date under the present administration there has been a very substantial drop in exports of Canadian grain as compared with a similar period the year before. There has been a very substantial drop in markets. In introducing this legislation the minister said it was expected the measure might cost the federal treasury something in the neighbourhood of $2.25 million, and that is true. This $2.25 million will accrue to the benefit of the producer. During the current crop year 1956 from August 1 to October 16—I am quoting now from the board of grain commissioners for Canada, statistics branch, Canadian grain position, Wednesday, October 16, 1957—farmers marketed a total of 118.9 million bushels of grain, this year, in the same period marketings had dropped to 93.3 million bushels.

In other words, from August 1 to October 16 of this year farm marketings of all grain were down 22 per cent as compared with last year. If I were to make a very conservative estimate I might say that farmers, because of the drop in marketings, have lost in revenue over $30 million.

So from August 1 of this year as compared with the same period last year, there is a drop in farm marketings to the farmers from the sale of grain of over $30 million.

With regard to exports, in the same period this year they are down as compared with last year. I am quoting now from the export figures for all grain. A year ago the total was 78.8 million bushels; for the same period this year the total was 60.6 million bushels, or a drop of 23 per cent.

Farmers by the thousands in the three western provinces are facing imminent bankruptcy. It is in my opinion only a matter of one or two years or perhaps even a few months—unless something is done to correct the basic situation, which is a falling off in markets and in agricultural prices together with an increase in the cost of production—before thousands of farmers will be driven off their land.

The legislation now before this house will help for a few months but it will not help materially for a longer period unless something is done to correct the situation in regard to our loss of markets and to improve our sales to the export markets of the world.

I do not know what the government will be able to accomplish in this field. We in this group have advanced policies from time to time which we believe will restore and increase our markets for agricultural products—the acceptance of sterling, sales on the basis of long-term contracts, the setting up of an export-import board and so on. We have a policy directed to increasing our sales and exports of agricultural products. One would have expected when the minister was introducing the bill to the house and there was a short review of our export prospects that there would have been some statement from the official opposition as to their present position and their policy. However, there has been no such statement and the official opposition has not advanced a single suggestion to restore our markets or to gain new markets. As a matter of fact in this house a few days ago one very prominent and outstanding member of the official opposition made a careful speech in which he gave the government a dressing down for not having done something in this field, for not having advanced a policy and for not having achieved great things. Then, when he was asked what was the policy of the official opposition, here are his words:

> Our policy over here is to get the government which is responsible to tell the people what their policy is.

I am quoting of course the words of the hon. member for Algoma East (Mr. Pearson). I do not think any statement would have been more bare or weak than that. If that is the best the Liberal party can offer the people of this country as far as an export policy is concerned, merely to say "our policy is to find out what the Conservative policy is", the Liberal party will get even less support in the days ahead than it has had in recent months.

An hon. Member: That was a leadership speech.

Mr. Argue: Oh—what a leadership speech that was. As far as anything constructive is concerned it is empty and barren; just as empty and barren as the Liberal party was in its campaign during the recent election. Of course the Conservative party had a great objective; they have not spelled out just how they might reach this objective but their

objective is a good one. It has been to reduce Canada's purchases from the United States by some 15 per cent and to transfer those purchases to European and soft currency countries, in other words to countries which might purchase greater quantities of goods from us.

We have seen little in the way of constructive accomplishments towards this end. As a matter of fact with respect to this agricultural problem the new Minister of Trade and Commerce (Mr. Churchill) in his speech on September 9 to the national dairy council of Canada said:

> The long-range view with regard to our wheat entails a forward-looking policy with regard to general production, and it may well be that progressively over the years our acreage devoted solely to the growing of wheat should be appreciably reduced and greater emphasis should be placed on diversified crops and on the livestock industry.

Then, in a later interchange he was talking about 20 million acres of wheat. Of course the acreage is down to just about 20 million acres this year but if the government is suggesting, through the Minister of Trade and Commerce that wheat production should be reduced and that livestock production should be increased he is talking about something which affects the Minister of Agriculture. I now ask the Minister of Agriculture to say what agricultural products he would like to see reduced and what livestock products he wants to see increased. Does he want to see an increase in the production of beef; does he want to see an increase in the production of pork.

I have looked over the markets since the Minister of Trade and Commerce made this statement and from a quick review since that time I would say there has been a drop of anywhere from $1 to $1.50 a hundredweight for good steers; since he made this statement the price of hogs has dropped by something like $7, from $32 to $25 within a few weeks. Does the Minister of Agriculture agree with the statement made by the Minister of Trade and Commerce that wheat acreage should be reduced and livestock production increased.

As I see the situation, and from what I have heard from members from all parts of the country who have been taking part in this debate, the agricultural market and prices in other parts of Canada are in just as bad a mess as they are on the prairies. Is it going to help livestock markets and prices in eastern Canada for the Minister of Trade and Commerce to suggest that western farmers should reduce their wheat acreage and increase the production of livestock. Is the farmer going to take land out of wheat production. If so he will likely do what he has done in the past, namely increase the production of barley and oats. Well, there is a glut of oats and there is a glut of barley; there is a surplus of pork if you can judge by the market prices.

This government has not found an answer to the critical problem which faces agricultural producers across Canada, the increasing prices which have to be paid for agricultural products in relation to the farmer's income. I think the statement made by the Minister of Trade and Commerce which I have read to the house was ill considered. It was a statement which was opposed by farm organizations right across the country, and if this is the best the Minister of Trade and Commerce can do as a suggestion for improving agricultural conditions in Canada it demonstates to me that worsening conditions as a result of falling markets are likely to continue.

Many members have made reference to western Canada in this debate and spoken of what they would like to have in other parts of this country. To all those hon. members who are saying that this measure is just for the prairies, or that it seems to represent special treatment for people on the prairies, I would say this: many years ago the grain producers in the prairie provinces came to the conclusion that they would do better if they marketed their grain through a central agency, in this case established under federal legislation, than they would if they relied upon the open market, or private trade, or free enterprise. I suggest to those from other parts of Canada who want and need improved prices for their products, or who need better legislation for their constituents, that they should first of all propose that the government in co-operation with the producers be prepared to establish marketing boards in line with the producers' wishes and that then, after having established marketing boards in which the federal government takes a direct interest if so requested by the producers, they should ask for initial prices at reasonable limits, cash advances, and all the other things that are a necessary part of an orderly system of marketing.

Mr. B. R. Leboe (Cariboo): Mr. Speaker, I wonder if the wheat farmers could wait another three minutes for these cash advances? I do not think I shall take more than three minutes to say what little I have to say, not being an expert. The bill we have before us is, of course, a temporary measure and, as has been pointed out, it is a relief measure. In addition it has been pointed out by the hon. member for Vegreville (Mr. Stefura) and others that this measure of relief has been well deserved because of the action of the farmers during the war years.

The measure also calls attention to the distress of the farmers due to the increased cost of farming operations. There is also no doubt in my mind that these conditions must, either directly or indirectly, be the responsibility of the federal financial policy adopted both by this government and by governments of the past, and also of the trade policy of the past government.

What I wish principally to deal with is the idea of a food bank, an indea which is related to this measure, in my opinion, because I think the setting up of a food bank would bring about a situation in which cash advances would scarcely be needed. I think it would be in the interest of the Canadian people as a whole that they should invest in the purchase of wheat to be stored, not only in this country but in the countries of other friendly nations, in order that the wheat might be readily available for marketing at those points. Orders for wheat would then not have to be placed many months in advance in order that an individual wishing to purchase could obtain delivery.

In addition, the food bank would be a guarantee to those people who are interested in the purchase of wheat that over a period of years there would always be a supply on hand. It may be said that the fact that wheat was readily available might lead to depressed prices. I do not agree with that view because it is a common practice in all manner of trade to have goods available for trade in places where they are to be sold.

An hon. Member: Three minutes.

Mr. Leboe: Well, you will have to wait another minute and a half, I am sorry. I have not got much more to say in connection with this. It would seem to me that the policy I am advocating would to a large extent remove the distress which this bill is designed to lessen. It has been pointed out by hon. members on all sides of the house that this is only a start on what could be a very complicated and involved program. I think we should be following a course, instead, which would lead us to a more effective and simple solution to this agricultural problem.

It was pointed out by the hon. member for New Westminster (Mr. Hahn) that this legislation would remove the undesirable effects of a fire sale of wheat such as so adversely affected the poultry and dairy industry in the province of British Columbia, and I would like to go on record as supporting this legislation, not only because it will aid the farmers in the area I represent but also because it will be of assistance to farmers in other agricultural areas in the southern part of my province.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I have just a few brief words to say, perhaps they will be the last spoken in the debate. I have got the impression from the speeches made by representatives of different parties in this house that the farmers in Manitoba, Saskatchewan and Alberta are all hard up. I speak only from what I know —I like to give credit to hon. members who know more than I do—but my experience in Manitoba and Saskatchewan which I have visited in the last three or four years, and where I studied as a student over 40 years ago, is that farmers there are not hard up. Quite a number of them are able to go to a more sunny climate from time to time, and when I attended church there on Sundays I noticed the collection plates. Formerly, Mr. Speaker, they contained coppers and nickels. When I was last there I saw a number of plates going forward and you could not see a piece of silver, they were covered with dollar bills, two dollar bills and five dollar bills. I do not think it is fair to the farmers of the west to tell this house that they are on the verge of bankruptcy.

I have promised to support the government, to give them a chance to make good. I support this bill on another ground, too. The Progressive Conservative party also promised to reduce taxes. The increased taxes which will be necessary because of the cost of the bill are not going to amount to anything, because we are going to have decreased taxes just the same.

Mr. Solon E. Low (Peace River): Mr. Speaker, I assure you that I do not intend to take too much time to talk about the bill because I support the principle of the measure now before us. I do wish to commend the minister for bringing in this bill and for keeping the promise of his party that they would provide cash advances to farmers. I congratulate him because in the first place he did keep his promise and secondly because he has kept faith with those things he said to western farmers during the election campaign.

I look upon this method of helping the farmers in a temporary way—and of course that is all it is—as being quite superior to the method used by the previous government under the Prairie Grain Producers Interim Financing Act, and I have said so right from the beginning. Over the next few months I think the farmers will indicate that they prefer it as well.

I followed what was said by the hon. member for Assiniboia (Mr. Argue) a few minutes ago and in a general way I pretty well go along with it. He did make the complaint, however, that there was no

guarantee to the farmer in the present legislation of a quota of any particular size during the crop year and that is quite true. I would say to him that if I understood his suggestion about a supplementary quota correctly the quota for the new crop year of course would be that much less and in the long run would not be of too great help. It may be that I did not understand exactly what he suggested but it did appear to me that the idea of a supplementary quota would merely deduct from the new quota for a new crop year and be that much less.

Mr. Argue: Not at that marketing point. Of course, if the grain was delivered you could not fill one space twice. But the purpose of my suggestion was to give each producer in western Canada the same opportunity to deliver grain as every other producer.

Mr. Low: Yes. I find myself in general agreement with that suggestion but I doubt very much that it would be possible to guarantee to the farmer a quota of any particular size during the crop year for the simple reason that storage is not available. Fundamental to the whole problem raised by the hon. member for Assiniboia is the question of adequate inland and terminal storage.

Mr. Argue: I agree.

Mr. Low: As a matter of fact, I think that has been one of the weaknesses of Canadian government policy over the past 20 years. It was about two decades ago that we began to increase our wheat production tremendously due to increased mechanization, better methods of farming and that sort of thing. At this time we began to consolidate small farms into larger ones and brought into use big strings of equipment and as a consequence there was a greater production of wheat. We should have been keeping pace with that increase in production by making available increased storage facilities.

As I have said on other occasions, providing increased storage facilities for grains or other farm products that could benefit the whole country is, in my opinion, the responsibility of the government of the country. I have constantly said that individuals in this nation should not be expected to do for themselves that which is prohibitively expensive or which they cannot do nearly so well as the government could and it is the role of government to accept responsibility in this regard.

I have pointed out in this house on many occasions that the government of the United States did not wait for the farmers to provide storage for themselves. Some years ago when it introduced its farm price support bill it decided it was necessary to provide approved storage so it would know that any of the products against which advances were made were maintained in proper storage and could be preserved properly in facilities for which the lock and key was in the hands of an inspector of the government.

The United States government increased storage facilities on a large scale. I pointed out the other day and I now repeat it for the benefit of those who may not have heard it at that time and because of its application to this legislation that between 1953 and 1957 the United States doubled its amount of approved inland and terminal storage for grains. This was done entirely at the expense of the government of that country and for the clear purpose of making it possible to receive grains from the farmer as soon as they were threshed so advances could be made against them. The government of that country did not make advances on a basis like this and their advances were far more generous, almost exactly the same as our initial payments. I suggest, Mr. Speaker, this act will never be completely successful until we have provided a great deal more internal and terminal storage for grain.

Perhaps it is a practical suggestion or perhaps it is not but I know one man who could build elevators. Regardless of how he looked upon parliament and no matter what he did in this house to raise the hackles on people's necks—particularly those in the opposition—the Right Hon. C. D. Howe could build elevators—

Some hon. Members: Hear, hear.

Mr. Low: —and I suggest that we put him to work and keep him busy building elevators and by so doing we would certainly make this act workable.

I seriously suggest to the minister that he will find tremendous difficulty on the very ground that was mentioned by the hon. member for Assiniboia, that if you do not have a guarantee to the farmers of a specific quota during any crop year then the benefits under this legislation are going to be pretty small in many sections of the country.

There is nothing in the act to indicate just what kind of storage the grain must be in before it qualifies for advances. Up in the Peace river country that I represent most of the grain is in cold storage. The fact is that this was a very wet year in most parts of the Peace river country. Grain growth was rank and heavy but it was late and then early this fall we had a heavy snowfall, as much as 24 inches in some parts of the country. The grain is all down under the snow and doubtless the farmers will not be able to get it out until next spring.

The question that now arises is this. Does the grain which is in cold storage qualify for advances? This does pose a problem. There is nothing in the bill that qualifies it; the bill simply refers to grain that is to be delivered and does not specify threshed grain.

An hon. Member: No.

Mr. Low: If you look at the bill you will find it does not; it simply says grain that is to be delivered. Now the grain I have referred to ostensibly is to be delivered and this is a matter that will be of great concern to the people in this area who will have to depend for their livelihood on getting advances against grain that may be on the ground as yet unthreshed and undelivered.

Some people in the Peace river country some years ago took the advice thrown to them by experts in Ottawa and began to convert their wheat farms into barley farms. They have attempted to get in the production of livestock and most of the grain produced is oats and barley. If you take your pencil —you do not have to have it sharpened at both ends at all—you can calculate what these people are going to receive at 20 cents a bushel out of their 150 or 200 acres of very excellent oats. You will soon see how little this act is going to mean to those people up there unless it is accompanied by other measures such as have been suggested, particularly measures that will result in proper marketing of their crops and sales at prices that will make it possible for them to continue in business.

These are some of the things which must be considered. I look upon the principle of this bill as being a principle of legislation which is to be applied in a temporary fashion until something much more important and more far-reaching is done to help the farmers. But I insist again that it will not give the full benefit envisioned for it until we get much better storage facilities in this country so that we can guarantee the farmer some sort of specific quota in the crop years.

Hon. D. S. Harkness (Acting Minister of Trade and Commerce): Mr. Speaker,—

Mr. Speaker: I have to inform the house that if the minister speaks now he will close the debate.

Mr. Harkness: Mr. Speaker, as I was saying when I was interrupted an hour and a quarter ago, I do not think there is any need for me to say a great deal in closing this debate. Most of the hon. members who have spoken in the debate have been in favour of the bill. Those who have criticized it, with one or two exceptions, have stated that in spite of their criticism they were going to vote for it.

I should, however, like to make a few remarks and to reply to a few of the statements which have been made which I think have left an erroneous impression. To begin with, most of the debate has been of an extraneous nature and dealt mainly with general agricultural questions rather than with the legislation before the house. That, I suppose, has been endemic in this house for many years; it certainly has in the past 12 years that I have been here. I think perhaps instead of being endemic in this case it became epidemic; but, in any event, a very large number of the people who spoke really did not speak in connection with this bill at all; they spoke about various other things such as apples and the necessity of doing something for other segments of the agricultural economy and other segments of the economy, altogether and completely divorced from agriculture. We have never pretended, Mr. Speaker, at any time, that this was a solution of the wheat problem, in spite of what the hon. member for Melville (Mr. Gardiner) said at one stage in his remarks—right near the end, as a matter of fact—that we were holding up this bill as a solution of all the problems in the west but we never—

Mr. Gardiner: I did not say you were doing that; I said some of the members were.

Mr. Harkness: Well, you meant that the government was doing it.

Mr. Gardiner: Just what you are saying now.

Mr. Harkness: Nobody in this party has ever taken that position. We have said quite frankly from the start of this legislation, and before the legislation came before the house that the cash advances legislation which we thought was required was in the nature of what you might call emergency legislation. It was required at the present time in order to tide western farmers over the extremely difficult financial situation in which they find themselves. As a matter of fact, it has been required for several years past but the Liberal administration steadily refused to meet that requirement.

We have never pretented that this legislation really was anything more than a means of getting western farmers over the difficult situation in which they find themselves in the fall of the year because of inability to deliver their grain. But I will say this, Mr. Speaker, that in addition to doing that it has a lot of other widespread benefits, as I indicated in my speech here yesterday. In other words, the amount of money which is put out into the hands of the farmers, which we estimate will be between $100 million

and $150 million, is going to have a very important effect on the general economy of this country. It is, as I said yesterday, just one more step in the various steps that this government is taking to meet what were difficult economic situations which we inherited from the previous administration.

Mr. Speaker, I have not any doubt whatever that the matter which was brought up by several members opposite during the course of this debate—and they have been bringing it up every day and trying to attribute it to the present government—the matter of unemployment, will be helped very considerably by the passage of this bill and by the putting into circulation of $100 million to $150 million, which we think this bill will put into the farmers' hands and start circulating right through this country. That money will have a very beneficial effect, not only so far as the farmer who receives it is concerned but so far as the country storekeeper, the wholesale merchant, the transportation worker, the manufacturer, the people working in financial institutions and in industries of all kind, right through this country from Vancouver island to Newfoundland.

Mr. Studer: And the banks.

Mr. Brown (Essex West): Will the minister permit a question?

Mr. Harkness: Yes.

Mr. Brown (Essex West): Before he finishes making his reply I wonder whether he would sum up by explaining how this legislation is going to be of assistance to the market gardeners in my constituency who have lost hundreds of thousands of dollars by reason of floods?

Mr. Harkness: Mr. Speaker, this legislation is not going to be of direct benefit to those market gardeners who have lost their year's earnings unfortunately because of floods but it is going to be of indirect help to them, as it is going to be to people all through this country.

There is one other general remark I should like to make. I was pleased, Mr. Speaker, to see so many Liberal members from the province of Quebec taking part in this debate. This was the first time in the 12 years that I have been here that I have ever heard one of those members take part in a debate with regard to a wheat matter and I am glad to see this change of heart on their part. I do not understand why it is that during all those past years they have never said a word in connection with a wheat measure, but today and yesterday they have been springing to their feet one after the other and saying something with regard to this measure.

Mr. Gauthier (Portneuf): Does the minister want an answer to that?

Mr. Harkness: Yes, I would like to know.

Mr. Gauthier (Portneuf): I will give it to you. You are surprised because some members from Quebec are getting up in this debate and talking on the wheat bill. They learned this from your candidates in Quebec speaking and writing in the last election against any cent going to the west.

Some hon. Members: Oh, oh.

Mr. Harkness: Mr. Speaker, the hon. members to your left seem to enjoy applauding canards of various sorts more than they enjoy applauding anything else.

Mr. Gauthier (Portneuf): It is not a canard; it is true. I will show you the manifesto if you would like to see it.

Mr. Harkness: These are not the sort of canards that help the situation.

Some hon. Members: Sit down.

Mr. Gauthier (Portneuf): I will not sit down. It is just speaking the truth.

Mr. Harkness: In any event, Mr. Speaker, I was very pleased to find this sudden interest on the part of those members in these wheat questions and I hope it will be continued.

I should like to say just a few words about some of the remarks that were made in this debate. The hon. member for Melville rather astounded me. He took the line and tried to establish the fact that the loan legislation which the Liberals had in effect last year was better than this legislation. All I can say to the hon. member is that I think he has not wakened up yet. He does not seem to realize that the reason he is sitting where he is and the reason he has hardly any members from western Canada sitting with him, or one of the reasons, is the very fact that they refused to put cash advances in and insisted in putting into effect the loans which were so highly unpopular in western Canada. Possibly it is that the hon. member for Melville has not yet recovered from shock, that he is still suffering from the shock of June 10 and it has affected his judgment. I have always looked upon the right hon. gentleman as being one of the most acute men politically in this House of Commons but he certainly did not show any acuteness in the line he took in regard to this bill.

My right hon. friend went on to make quite an argument to the effect that this bill was

more limited than was the loan legislation. He said that it was limited with regard to the number of farmers who were eligible. There is no limitation on the number of farmers who are eligible. Every farmer who has grain in store on his farm is eligible under this legislation. Any idea that the hon. member for Melville tries to put out that this legislation is more limited in its application than was the loan legislation that his government introduced is completely contrary to the facts. He also tried to establish the point that it was limited as to advances to those with the current crop. In fact, his words in connection with that matter, which are to be found at page 464 of *Hansard*, are as follows:

> But Bill No. 14 limits the number further—
>
> That is the number of farmers who can take advantage of it.
>
> —to those with a current year's crop, and limits it by that quota.

It does nothing of the kind. As a matter of fact, the right hon. gentleman's speech indicated the fact that, as I pointed out to him while he was making it, either he had not read it very well or if he had read it he had not understood it. The bill does not do anything of the kind.

Mr. Gardiner: We shall discuss that matter when we get on the sections of the bill.

Mr. Harkness: That is right. The right hon. gentleman also tried to maintain that the cash that would be received by the western farmers under this legislation could and probably would be less than that which they received under the loan scheme. All I can tell him is that not one of the western farm organizations, and particularly the elevator companies, the pools, the United Grain Growers, the line elevator companies, the wheat board itself, the people who are going to administer this act and deal with it have that opinion. As a matter of fact, they think that the number of loans, according to the estimate, will be something along the line I have indicated in the house on several occasions.

Mr. Marler: Loans or advances?

Mr. Harkness: Advances. The hon. member for Humboldt-Melfort (Mr. Bryson) seemed to be under a misapprehension with regard to the form of these advances and so on. I do not think I had better go into it at this stage. He can bring that question up again at the committee stage. However, he tried to maintain that this was not an advance at all. As a matter of fact, it is a true advance. It is exactly the same as the illustration about which he was talking, namely the way in which we used to buy cattle and horses and so on in western Canada. You bought them and you paid an advance on them; it might be $10 or it might be $100. This is exactly the same principle.

The hon. member for Meadow Lake (Mr. Harrison) tried to maintain—the hon. member for Assiniboia came back to this matter—that the Minister of Trade and Commerce (Mr. Churchill) said that the farmers should not grow wheat. Neither in his speech at Winnipeg nor at any other time, did the Minister of Trade and Commerce say any such thing. What he said was that there should be some shift from wheat to diversified crops and livestock. I will deal with that matter a little bit later on.

As to the hon. member for Charlotte (Mr. Stuart), I think perhaps the less I say with regard to his speech with regard to this matter, the better. In other words, he raised a purely sectional cry, one which I was disappointed to hear the hon. member raise because we have been good friends for many years and I know that he has many good qualities. However, apparently good judgment with regard to this matter is not one of them. Of course the hon. member for Quebec-Montmorency (Mr. LaCroix) did the same thing. He raised this sectional cry as did a considerable number of other hon. members. I deplore the fact that that type of argument has been advanced here in the house.

I now come to the hon. member for Bow River (Mr. Johnston). I must say that his speech was what you might call a great deal of sound signifying nothing.

Mr. Marler: The minister is giving a fairly good example himself.

Mr. Harkness: I can understand the hon. member for Bow River talking in the way he was talking. He is frightened. He knows that when another election comes along his chances are fairly small. As a result he is talking in a sort of wild way from fear.

Mr. Byrne: In other words, this is a political bill.

Mr. Harkness: I might just say that his interpretation of my remarks in connection with the trade conference held in Washington shows no understanding of the general situation or of what went on there. I would advise him to quit speculating along that line because it will only get him into trouble, not only here but out in our home town of Calgary and the surrounding countryside. As to his statements about barter transactions, I think he should read up on that matter also. The barter transactions which were carried on by the United States in recent years and their undertaking not to engage in those same kind of barter deals is a matter which is going to

be of considerable benefit to us; that is the fact that they said they were not going to enter into those transactions except when there were additional commercial sales, which meant additional commercial sales not only for themselves but for us. In other words, that type of barter deal is something they are not going to enter into in countries such as Great Britain and those in western Europe where they entered into them last year, in markets which we formerly had and which we would have had if those barter deals had not been taking place.

Mr. Sinclair: What about Japan?

Mr. Harkness: The hon. member for Selkirk (Mr. Bryce) raised the matter of alternate elevator points and I will come back to that matter when we are at the committee stage.

I should like to say to the hon. member for Maple Creek-Swift Current (Mr. Studer) that I think he made quite a sound speech in regard to this matter.

Mr. Stuart (Charlotte): Who are you to judge?

Mr. Harkness: I can understand why he was anxious not to have his name attached to the speech which was made yesterday and to which his name was attached.

Mr. Stuart (Charlotte): Who are you to judge? I can express my opinion of your speech.

Mr. Harkness: The hon. member for Assiniboia stated that the sum total of the economic effect of this legislation is only $2 million to $3 million in interest which will be put out or help that will be given in that way to farmers. When he made that statement he must surely have completely lost sight of the fact that I pointed out when I started this speech the great general benefit to the farmers and to the western economy of this $100 million to $150 million of cash which is going to go into their hands.

Mr. Argue: I might say to the minister that I was talking about the full crop year and not an immediate period.

Mr. Harkness: Very well. The hon. member for Assiniboia also said that there was no guarantee that the 6-bushel quota will be capable of being filled. Certainly there is no guarantee in this legislation. This legislation does not pretend to guarantee that result. But I can tell the hon. member this. We believe there is every expectation that this 6-bushel quota will be filled. The scheme is based on the expectation that it will be filled. That is why the 6-bushel quota is mentioned in the scheme. We have every confidence and every expectation that the 6-bushel quota will be filled. Nobody can guarantee that it will be filled. As somebody here said this afternoon, nobody can guarantee that it will be filled. Nobody can look into the future. However, there is very good expectation that it will be filled.

The hon. member also said that there had been a substantial drop in exports since August. This is just not so. I have here the list showing the exports right back to 1927. The substantial and big drop in exports took place back in the months of January, February, March, April, May and June and the situation has been improving since that time. As a matter of fact, back in April of this year approximately 15 million bushels were sold and in the previous April—that is 1956—33 million bushels were sold, well over twice as much, and nearly the same situation prevailed in May and so on, but when we get up to August we find that 29.7 million bushels were exported in 1956 and 27.1 million bushels this year.

In September there were 27.4 million bushels in 1956, and in this year—the estimated figure is not quite complete yet—there is between 24 million and 24.5 million bushels. In other words, the figures for the period August-September are quite close to last year's figures. The big drop was in the period back in the winter, spring, and early summer.

Mr. Harrison: Would the minister permit a question?

Mr. Harkness: No, I want to finish this right now. The hon. member for Assiniboia also asked what agricultural products did I wish to see increased, and do I agree that wheat acreage should be reduced? Yes, Mr. Speaker, I do agree that there should be some reduction in wheat acreage. During the last four years in this house, as the hon. member probably recalls, I have been saying we should take a long-range view in regard to the general agricultural situation, and particularly the wheat situation. I have said that it was foolish for us to continue planning for the same amount of wheat every year and constantly building up a surplus; that we should divert some of our land into other types of crops. As to the types of crops in which I think we could increase production, I would mention beef and sheep as two of them. I would be quite glad to go into this subject in more detail at a later date.

The hon. member for Peace River (Mr. Low) said that we should call on the Right Hon. C. D. Howe to help us out at the present time by building some elevators. I doubt whether it would be wise for us to call on the Right Hon. C. D. Howe, no matter

how good an elevator builder he may be, because during all the years he handled the wheat business he certainly made a mess of it.

Some hon. Members: Oh, oh.

Mr. McIvor: I rise on a point of order. I think that this expression is altogether uncalled for and untrue.

Mr. Harkness: Mr. Speaker, the proof of the pudding is in the eating and we have been eating a very rough pudding in the past few years.

Mr. McIlraith: And in the last few minutes.

Mr. Harkness: I should like to tell the hon. member for Peace River that unthreshed grain does not qualify under this measure. We have a very unfortunate situation in the Peace river country this year, but if he looks at clause 3 (1) he will see it is laid down quite definitely that it is only threshed grain in storage to which this measure applies.

I believe those are all the remarks I wish to make at this time.

Mr. Speaker, is the house ready for the question?

Mr. Knowles (Winnipeg North Centre): Will you put the yeas and nays, Mr. Speaker?

Mr. Speaker: Will those who are in favour of the motion please say yea?

Some hon. Members: Yea.

Mr. Speaker: Those who are 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.

The house divided on the motion (Mr. Harkness, for Mr. Churchill) which was agreed to on the following division:

YEAS

Messrs:

Aiken
Aitken, Miss
Anderson
Argue
Arsenault
Ashbourne
Balcer
Barnett
Baskin
Batten
Beech
Begin
Bell (Carleton)
Best
Blackmore
Blanchette
Boivin
Boulanger
Bourget
Bourque
Brassard
Brisson
Brooks
Broome
Bryce
Bryson
Byrne
Cameron
Campbell (Lambton-Kent)
Campbell (The Battlefords)
Cardiff
Cardin
Carter
Castleden
Cathers
Chabot
Charlton
Chevrier
Chown
Christian
Coates
Coldwell
Comtois
Courtemanche
Crestohl
Crouse
Deniset
Dinsdale
Doucett
Ellis
English
Eudes
Fairclough, Mrs.
Fairfield
Fisher
Fleming
Forgie
Fraser
Fulton
Gardiner
Garland
Gauthier (Lake St. John)
Gauthier (Portneuf)
Gingues
Gour
Green
Grills
Habel
Hahn
Haidasz
Hales
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Hamilton (York West)
Hansell
Harkness
Harrison
Hees
Herridge
Hodgson
Houck
Howard
Irwin
Johnson (Kindersley)
Johnston (Bow River)
Jones
Jorgenson
Kennedy
Knowles (Norfolk)
Knowles (Winnipeg North Centre)
Kucherepa
Lafontaine
Lambert
Landry
Langlois
Leboe
Leduc (Gatineau)
Leduc (Verdun)
Legare
Lewry
Low
MacDonald (Antigonish-Guysborough)
Macdonald (Kings)
Macdonald (Vancouver-Kingsway)
Macdonnell (Greenwood)
MacEachen
MacEwan
MacInnis
MacLean
Macquarrie
MacRae
McBain
McCleave
McCullough
McDonald (Hamilton South)
McGee
McGrath
McGregor
McIlraith
McIvor
McMillan
McPhillips
Maloney
Maltais
Mandziuk
Marler
Martin (Timmins)
Martini
Meunier
Milligan
Monette
Monteith
Montgomery
Morris
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Murphy (Lambton West)
Noble
Nowlan
O'Hurley
Olson
Pallett
Patterson
Pearson
Phillips
Poulin
Pratt
Quelch
Raymond
Rea
Regier
Ricard
Richardson
Robinson
Rouleau
Rynard
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Schulz
Shaw
Simpson
Sinclair
Small
Smith (Battle River-Camrose)
Smith (Calgary South)
Smith (Lincoln)
Smith (Simcoe North)
Stanton
Starr
Stefura
Stewart (Winnipeg North)
Stinson
Studer
Taylor
Thomas (Middlesex West)
Thomas (Wetaskiwin)

Grain

Thompson (Edmonton-Strathcona)	Walker
Thompson (Northumberland)	Winch
Thrasher	Winkler
Villeneuve (Glengarry-Prescott)	Wratten
	Yuill
	Zaplitny—188.

NAYS

Messrs:

Barbes	Stuart (Charlotte)
Brown (Essex West)	Villeneuve (Roberval)—6.
Huffman	
LaCroix	

Bill read the second time and the house went into committee thereon, Mr. Courtemanche in the chair.

Some hon. Members: Ten o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask the leader what the business is for tomorrow?

Mr. Green: Tomorrow we shall proceed with this measure and after that we shall consider the four resolutions standing in the name of the Minister of National Health and Welfare, and then the resolutions standing in the name of the Minister of Veterans Affairs.

Mr. Chevrier: And after that?

Mr. Green: And after that, the throne speech debate.

It being fifteen minutes after ten 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:

ST. LAWRENCE RIVER JOINT BOARD OF ENGINEERS

Question No. 19—**Mr. Chevrier:**

1. Who are the members of the St. Lawrence river joint board of engineers?
2. What are the duties of the board?
3. Has the board approved of the plans of the respective governments of Canada and the United States for the transfer of 14-foot navigation from the Canadian side to the American side?
4. Is the board satisfied that this plan will be effective and in operation by July 1, 1958? What effect will this plan have upon traffic over the south channel low level bridge at Cornwall?
5. Will traffic be interrupted over this bridge after April 1, 1958? If so, what alternative means of transportation is being provided to residents of Canada and the United States in this area?
6. Has the board approved of the plans of the respective power entities for channel enlargements from Chimney point to the control dam at Iroquois?
7. What do these plans contemplate so far as the requirements of navigation are concerned?
8. Are they on schedule?
9. Will they meet the requirements of navigation in all respects when (a) transfer of 14-foot navigation from Canada to United States on July 1, 1958, takes place; (b) 27-foot navigation opens in April, 1959?

Answer by: **Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport:**

The St. Lawrence river joint board of engineers advise as follows:

1. Members for Canada: Hon. George Hees and Mr. Chas. Gavsie; alternates: Mr. H. W. Lea and Mr. Geo. H. Kohl. Members for United States: Hon. Wilber M. Brucker and Hon. Jerome Kuykendall; alternates: Maj. Gen. Chas. G. Holle and Mr. Francis L. Adams.

2. (a) To review, co-ordinate and approve, in behalf of the governments of Canada and United States, the plans and specifications of the works for the development of power in the international rapids section, submitted by the joint builders, namely the Hydro-Electric Power Commission of Ontario and the power authority of the state of New York; (b) to insure that the works are constructed in accordance therewith as approved.

3. The board has reviewed the most recent plans of both power and seaway entities for works to be constructed to permit the transfer of 14-foot navigation from the Canadian side to the American side and on the basis of these plans and the accompanying schedules, the board considers that the plans are satisfactory.

4. Yes, if the above schedules are met. As to the effect on traffic, the plans require restriction of public use of the bridge from February 3, 1958, through March 31, 1958, and cessation of public use on April 1, 1958.

5. Yes. Traffic will be diverted to a ferry.

6. Yes.

7. A minimum channel width of 600 feet, a minimum depth of 29.5 feet based on method of regulation 12-A-9 and a maximum velocity of 4 foot per second.

8. No, see answer to question No. 9.

9. (a) Yes; (b) yes, although in some limited reaches the permanent channels may not be completed to full width by April, 1959.

CANADIAN COAST GUARD

Question No. 35—**Mr. Barnett:**

What steps, if any, since assuming office has the government taken toward the establishment of a Canadian coast guard?

Answer by: **Hon. George H. Hees (Minister of Transport):**

The functions that are normally considered to be the duty of a coast guard are performed in Canada by several agencies of government, in particular my department, the Department of National Defence and the Royal Canadian Mounted Police. All these agencies continue to give attention to improvement of their ability to carry out their responsibilities but no decision has been taken to remove functions from these departments and place them under a new and separate agency.

CENTRAL MORTGAGE AND HOUSING LOANS, NORTHERN ONT.

Question No. 37—**Mr. Fisher:**

1. What number of loans have been made through the assistance of Central Mortgage and Housing Corporation for house construction in the following communities in Port Arthur constituency: Hornepayne, Nakina, Geraldton, Nipigon, Beardmore and Armstrong?
2. What has been the total value of these loans in each of these communities?
3. What percentage of successful applications for loans assisted through Central Mortgage and Housing Corporation offices come from Canadian communities with a population of more than 5,000?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1 and 2.

Gross loans approved under the national housing acts

1946 - July, 1957

Location	Loans	Units	$ Amount
Hornepayne	—	—	—
Nakina	—	—	—
Geraldton	—	—	—
Nipigon	4	4	39,339
Beardmore	—	—	—
Armstrong	—	—	—

Questions

3.

Percentage of loans approved in centres over 5,000 population

January - July, 1957

Location	Loans	Units	Amount
Canada	17,560	21,463	221,676,190
Centres over 5,000 population	14,616	17,745	183,442,506
Per cent	83.2	82.7	82.8

LOCKS ALTERATIONS, SAULT STE. MARIE, ONT.

Question No. 50—**Mr. Fisher:**

1. What alterations are planned for Canadian locks at the Sault to make them capable of carrying deep-sea draught vessels?
2. If alterations are planned, what is the target date for completion and the total estimated cost?
3. In terms of width, draught and length, of ships using it, how do the Canadian locks at the Sault compare with the Welland locks?

Answer by: **Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport:**

1 and 2. At the present time there are no definite plans for alterations to the Canadian Sault Ste. Marie locks to make them capable of carrying deep-sea draught vessels.

3. The dimensions of the Sault Ste. Marie and Welland ship canal locks are as follows:

	Canadian Sault Ste. Marie locks	Welland ship canal locks
Length	900 ft.	859 ft.
Width	60 ft.	80 ft.
Depth of water on lock sills	Normal draught 18'-3" depending on the stage of the St. Marys river.	30 ft.

The Welland ship canal locks were constructed for a depth of 30 feet of water over the sills, but the connecting canal reaches were only excavated for 25 foot depth; these reaches are now being deepened for 27-foot navigation. The limiting length for vessels transiting the Welland ship canal is 715 feet.

NATIONAL LIBRARY

Question No. 51—**Mr. Fisher:**

1. What is the total staff of the national library?
2. How many employees are French-speaking?
3. Is there a target date for completion of the proposed national library building?

Answer by: **Hon. Ellen L. Fairclough (Secretary of State):**

1. Thirty-four.

2. Sixteen (mother tongue); six (bilingual).

3. No. It is expected that the building will be completed by 1962.

UNEMPLOYMENT FIGURES, NOVA SCOTIA

Question No. 61—**Mr. MacEachen:**

1. How many are registered as unemployed in the province of Nova Scotia at the present time?
2. What were the figures for the same one year ago?

Answer by: **Hon. Michael Starr (Minister of Labour):**

1. The number of persons registered for employment at offices of the national employment services in the province of Nova Scotia on October 10, 1957, was 11,064.

2. The figure at October 11, 1956, was 7,438.

HOUSING STARTS, BLIND RIVER, ELLIOTT LAKE, BANCROFT

Question No. 64—**Mr. Peters:**

1. How many new homes have been started in the last 12 months in Blind River, Elliott Lake and Bancroft?
2. How many of these were built under the National Housing Act?
3. What was the amount of the down payment necessary to purchase these units?
4. What was the rate of interest?
5. Has any consideration been given because of the temporary nature of these particular mining areas?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. The information is not available. The population of each of these centres is less than 5,000 and a physical count of housing starts is therefore not undertaken. The dominion bureau of statistics conducts a sample survey only.

2. The number of N.H.A. insured home-owner loans during the 12 months from August, 1956, to July, 1957, are as follows:

Blind River	3
Elliott Lake	678
Bancroft	Nil

The number of N.H.A. rental units in the same period are as follows:

Blind River	Nil
Elliott Lake	104
Bancroft (Paudash twp.)	200

3. Blind River—$3,050 (average); Elliott Lake—average down payment $1,160, average cash $606, the balance being provided through second mortgages by the mining companies.

Bancroft—answered by No. 2.

4. The rate of interest on loans currently being made under the National Housing Act, 1954 is 6 per cent. The rate was increased from 5½ per cent by governor in council in January, 1957.

5. Yes. As a condition to insuring loans under the National Housing Act, 1954, Central Mortgage and Housing Corporation has

required each of the mining companies operating in Elliott Lake to provide, commencing December 31, 1959, an increasing cash security to protect the corporation against losses which might be incurred on mortgage loans made to employees of each company. The protection is afforded against any losses which might be incurred prior to 1976.

As Blind River is an established community, no additional security was considered necessary. In Bancroft, and in one instance in Elliott Lake, the mining company itself is the mortgagor, as the loans were made under section 17 of the National Housing Act.

OPERATING GOLD MINES

Question No. 65—**Mr. Peters:**

1. How many gold mines are operating in Canada today?
2. How many, if any, have closed in the past twelve months?

Questions

3. How much subsidy has been paid in this period?
4. What mines received emergency gold mining assistance, and what amount in each case?
5. What was the amount of declared dividends in each case?

Answer by: **Hon. Paul Comtois (Minister of Mines and Technical Surveys):**

1. 51 lode gold mines as at September 30, 1957.

2. One during period October 1, 1956 to September 30, 1957.

3. $9,070,532.66 during period October 1, 1956-September 30, 1957.

4. Answer is contained in Emergency Gold Mining Assistance Act report for fiscal year ended March 31, 1957, which was tabled on October 25, 1957.

5. The Department of Mines and Technical Surveys does not collect and publish this information. It can be obtained from the companies concerned or from trade publications.

HOUSE OF COMMONS

Wednesday, October 30, 1957

The house met at 2.30 p.m.

DOMINION-PROVINCIAL CONFERENCE

TABLING OF CORRESPONDENCE WITH PROVINCIAL GOVERNMENTS

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, in response to a question asked by the right hon. Leader of the Opposition (Mr. St. Laurent) I now wish to lay on the table of the house copies of the exchange of correspondence between the dominion government and the provinces with regard to the conference to be held on November 25.

Hon. George C. Marler (St. Antoine-Westmount): Mr. Speaker, might I suggest that in conformity with past practice these might be printed as an appendix to *Hansard*.

Mr. Speaker: Is it agreed that these documents be printed as an appendix to *Hansard*?

Some hon. Members: Agreed.

(For text of correspondence referred to above, see appendix, pages 589-93.)

STARRED QUESTIONS

ST. LAWRENCE SEAWAY HARBOURS

Question No. 4—**Mr. Chevrier:**

1. Has the government any plans for the development of ports and harbours along the route of the seaway?
2. What is being done at the port of Montreal? Are the plans as announced by the former administration being carried out? What plans are being evolved for the development of the south shore?
3. Is this area to be taken over by the national harbours board? Are port facilities to be erected here for the expected increase in volume of trade?
4. What is being done at the port of Trois-Rivières?
5. Is consideration being given to the construction of additional wharves and warehouses?
6. Will the national harbours board provide cargo handling equipment at the port for vertical hatch loading and unloading, extra space on existing wharves and new docks?
7. Is consideration being given to the construction of a grain elevator here?
8. What is being done at the port of Sorel?
9. Will the national harbours board provide cargo handling equipment at the port for vertical hatch loading and unloading, extra space on existing wharves and new docks?
10. Are port facilities in this area considered adequate for seaway traffic?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, in regard to part 1 of the question, perhaps I might give a reply under three headings. First, the national harbours board is giving active consideration to necessary harbour developments at Quebec, Montreal and Three Rivers. I may say I have had the pleasure of visiting all three of these ports and was very much impressed with the facilities now provided and with the plans for improvements and additions. Second, the development and plans for harbours administered by local commissions, that is to say Toronto, Hamilton and Belleville, are the responsibility of those commissions. Here again I was very glad to have an opportunity to visit both Toronto and Hamilton harbours recently and review the program of work to be undertaken at both points. In Toronto both the federal Department of Public Works and the harbour commission are undertaking additional works. At Hamilton the commission has a substantial program of works and, as previously announced, I propose to introduce legislation to authorize a loan to assist these works. In addition funds will be provided to public works to build a new low-level bridge across the harbour entrance and for certain other terminal development.

3. The development of harbours other than those administered by the national harbours board or local commissions will be the responsibility of the Department of Public Works, which I understand has the matter under review.

In reply to part 2, the program of works at Montreal harbour, estimated to cost $57 million, is being carried out. The St. Lawrence seaway authority is constructing 4,000 linear feet of wharf above the Cote Ste. Catherine lock. Other developments will receive consideration as the need arises.

As to part 3, no action has been taken to extend the jurisdiction of the national harbours board, but this matter will remain under review. The policy of the government will be to provide facilities when the public interest so requires.

The reply to part 4 is that a contract has been awarded for the construction of an additional commodious transit shed.

In answer to part 5 I would say that in the normal course the government will give consideration to recommendations of the national harbours board for such new facilities as the growth of traffic warrants.

Part 6 is answered by the reply to part 5.

As to part 7, the grain elevator at Three Rivers is privately owned and its capacity has recently been increased.

In reply to part 8 I might say that the Department of Public Works recently awarded a contract for improvements to the east face of terminal wharf No. 1 at Sorel amounting to $47,204. Surveys and pre-engineering studies are continuing in order to have available the necessary information for recommendations concerning future expansion or improvements.

The answer to part 9 is that the provision of cargo handling equipment, additional space on existing wharves and new docks will be considered by the Department of Public Works should the need for such additional facilities be justified. At present the facilities at the port of Sorel appear to be adequate.

Part 10 is answered by the reply to part 8.

VICTORIA BRIDGE, MONTREAL-ST. LAMBERT

Question No. 5—**Mr. Chevrier:**

1. What was the cost of the Victoria bridge between Montreal and St. Lambert?
2. What are the operating costs, operating expenses and profit and loss position in the last 25 years?
3. What amount of tolls were collected on this bridge in the last 10 years?
4. Will tolls be abolished on this bridge?

Hon. George H. Hees (Minister of Transport): In dealing with question No. 5 I would like to answer parts 1, 2 and 3 together. As recorded in an answer by my predecessor, the hon. member for St. Antoine-Westmount (Mr. Marler), when he was minister of transport, to an order of the house tabled on July 13, 1955, it has never been and is not now the practice of the management of the Canadian National Railways to disclose financial details of the operation of the Victoria bridge. The management advise that this also is their position as far as the capital cost of the bridge is concerned.

This fact was well known to the hon. member for Laurier (Mr. Chevrier) when, as minister of transport, he spoke on this subject in the house on February 23, 1951, as reported at pages 569 and 570 of *Hansard* of that date, when he said:—

Hon. George C. Marler (St. Antoine-Westmount): Mr. Speaker, I rise on a point of order.

Some hon. Members: Order.

Mr. Hees: —when he said:

As for Victoria bridge I cannot give you any idea of the amount collected since it is buried in the accounts of the Canadian National.

Mr. Speaker: Order.

[Mr. Hees.]

Mr. Marler: Mr. Speaker, I think it is perfectly clear from the rules that answers are concise and are not expected to be political.

Mr. Bell (Carleton): What about questions?

Mr. Fraser: Why bring up political questions?

Mr. Speaker: It occurred to me as the minister was giving his answer that he was going beyond the scope of an ordinary answer in referring to the knowledge of the hon. member at a certain time. That struck me as being somewhat in the nature of debate rather than answer.

Mr. Hees: As I was convinced that the hon. member for Laurier was only seeking information I thought I would remind him of some of the things he said in the house on this and other matters on past occasions as minister of transport.

Some hon. Members: Oh, oh.

Mr. Stick: Carry out the rules of the house.

Mr. Hees: As to part 4, the management advise me that this matter is not under consideration at the present time. I might suggest to the hon. member for Laurier that he look back at that same speech and he will see his own views expressed at that time.

Some hon. Members: Order.

Mr. McIlraith: The rules are supposed to apply equally to all.

JACQUES CARTIER BRIDGE, MONTREAL-LONGUEUIL

Question No. 6—**Mr. Chevrier:**

1. What was the cost of the Jacques Cartier bridge between Montreal and Longueuil?
2. What are the operating costs, operating expenses and profit and loss position in the last 10 years?
3. Did the city of Montreal pay its share of the deficit in accordance with its tripartite agreement?
4. Did the province of Quebec pay its share of the deficit in accordance with its tripartite agreement?
5. Does the government intend to do anything about this?
6. What amount of tolls has been collected on this bridge since the beginning?
7. Does the government propose to abolish tolls on the Jacques Cartier bridge?

Hon. George H. Hees (Minister of Transport): As to question 6, Mr. Speaker, the answer to the first part is that the original cost was $18,571,308. With regard to the second part, the operating expenses between 1947 and 1956, inclusive, were $1,842,325. Profit and loss position shows a deficit as at December 31, 1946, of $11,439,297, and as at December 31, 1956, $9,338,148.

The answer to part 3 is yes, after litigation with respect to a portion.

As to part 4, the answer is that the province has paid in part and there remains unpaid $744,425, plus interest.

With regard to part 5, as the hon. member may be aware, the situation with respect to this matter has remained unchanged for several years. Directions were given in 1953, when he was minister of transport, that a petition of right be presented to the province of Quebec and a fiat sought. Accordingly the Department of Justice filed such petition, to which no response was received. The record does not indicate that any further action was taken to dispose of that matter.

The answer to part 6 is $22,670,794 to December 31, 1956.

With respect to part 7, as the hon. member knows there has been no change in the situation which existed while he was minister of transport, namely that the tripartite agreement, authorized by the statute of the province of Quebec, provided that the bridge shall be a toll bridge.

Mr. Chevrier: Mr. Speaker, I should like to raise a point of order, if I may at this stage. The point is this. You have ruled on one if not on two occasions that the questions put by members to ministers should be short and to the point, and I think you have also ruled that the answers should be in the same form. I am not complaining more about the answers by the minister than I am about those made by the Prime Minister the other day, when on at least three occasions he rose in the house and, taking advantage of a question, spoke for at least five to six minutes. I think that is entirely out of order, and I think it applies to the answers the minister has given.

Some hon. Members: Question.

Mr. Chevrier: I am speaking to a point of order. If I am out of order the Speaker will call me to order. I am speaking to a point of order now and I have the right to the floor. I was going to conclude by saying that the same latitude should be allowed to a member who asks a question as to a minister who answers it.

Mr. Speaker: It has been well settled that a point of order should be raised at the time it is relevant to the question. With respect to the point relating to yesterday's proceedings, I do not feel it would be my duty to deal with it now. The point of order as it may apply to the starred questions, I take it, is not pressed by the hon. member. The questions themselves were very lengthy and the answers necessarily were lengthy. There was a point of order taken in the course of the answer, which was dealt with, and it seems to me that leaves nothing outstanding in the hon. member's point of order.

PIPE LINE CONSTRUCTION, NORTHERN ONTARIO—LABOUR TURNOVER

Question No. 8—**Mr. Fisher:**

1. What has been the total labour turnover for each of the four contractors' spreads on the natural gas pipe line west of Port Arthur in the period to October 1, 1957?
2. What was the average number of men on each spread for each month from April to October, 1957?
3. What percentage of the labour force on each spread was American, for each of these months?
4. How many of the men who separated from the job on each spread were fired?
5. What percentage of the Americans working on this section of the pipe line were in this country under a six months' permit?

Mr. Thomas M. Bell, Parliamentary Assistant, for the Minister of Trade and Commerce: Mr. Speaker, this question requires several tables for an adequate answer, and as it would be difficult to read the tables to the house I would ask leave to place them on the record.

Mr. Speaker: Is the hon. member prepared to have the question made an order for return?

Mr. Bell (Saint John-Albert): The tables are not extensive. I would imagine that, with permission, they could be taken into the record.

Mr. Speaker: Has the hon. member leave to do as he has suggested?

Some hon. Members: Agreed.

Mr. Bell (Saint John-Albert): The answers are as follows:

1.

		Hired	Separated
Spread	A	1672	970
"	B	977	645
"	C	817	514
"	D	890	*360

* As of October 23, 1957.

2.

Spread	May	June	July	August	September
A	...	208	276	319	665
B	112	183	300	353	332
C	...	52	157	281	303
D	3	120	266	368	344

3.

Spread	May	June	July	August	September
A	....	35%	26%	21%	16%
B	57%	56%	43%	37%	28%
C	....	58%	58%	38%	26%
D	100%	45%	33.5%	26.7%	26.8%

4.

Spread	May
A	22
B	50
C	127
D	81

5. Approximately 95 per cent, on the basis of information supplied by the contractors.

PENRYN SECURITIES—OFFICERS

Question No. 9—**Mr. Fisher:**

1. Did the president of Atomic Energy of Canada Ltd., ever hold any position with Penryn Securities Company or with Penryn Holding Company?
2. Who are the present officers of this company?
3. If the president of Atomic Energy of Canada Ltd., held any office in these companies, what were the dates of such tenure?

Mr. Thomas M. Bell, Parliamentary Assistant, for the Minister of Trade and Commerce: The answer is as follows:

1. The president of Atomic Energy of Canada Limited never held any position with the Penryn Securities Limited.

Mr. W. J. Bennett while chief executive assistant to the minister of reconstruction and supply was appointed secretary of Penryn Securities Limited, a private corporation, on December 5, 1945. This was a nominal position from which he received no remuneration. He held the position until April 25, 1952.

2. There is no official record in the Department of Trade and Commerce as to whom the present officers of this company are. I am advised by the officers of the Secretary of State, companies branch, however, that at the time of the last annual return the following were named as directors:

Mrs. Alice M. Howe
Clarence D. Howe
Miss Ruth A. Thomson

3. Answered by No. 1.

[*Later:*]

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): May I direct a supplementary question to the parliamentary assistant to the Minister of Trade and Commerce arising out of the answer he gave to my question. He said there was no official record of the company referred to in the Department of Trade and Commerce. By statute or regulation should there have been a record in the department?

Mr. Thomas M. Bell (Parliamentary Assistant to the Minister of Trade and Commerce): It is a private corporation and such corporations have special privileges under the Companies Act. It is not an unusual situation.

[Mr. Bell (Saint John-Albert).]

COMMERCIAL FISHING LICENCES, B.C.—ROYAL COMMISSION

Question No. 14—**Mr. Barnett:**

1. Have requests been received for establishment of a royal commission to inquire into the question of licence limitations for commercial fishing in British Columbia?
2. If so, from whom have such requests been received?
3. Have representations been made against the establishment of such a royal commission and, if so, from whom?
4. What steps has the government taken toward establishing such a commission; or what other action has it taken to deal with this question?

Hon. J. A. MacLean (Minister of Fisheries): The answer is as follows:

1. Yes.

2. United fishermen and allied workers' union, Vancouver.

3. No.

4. The answer to the first part of the question is in the negative. As to the second part of the question, by regulation under the Fisheries Act and by administrative action the issue of fishing licences in British Columbia was restricted to Canadian citizens and ex-servicemen of the Canadian armed services, who also had to show on application for licence that they were bona fide commercial fishermen.

HUMANE SLAUGHTER OF FOOD ANIMALS

Question No. 16—**Mr. Broome:**

Is the government considering the adopting of regulations which will specifically require the use of humane methods in the slaughter of food animals?

Hon. D. S. Harkness (Minister of Agriculture): The Department of Agriculture is not, at this time, considering recommending to the government the adoption of regulations which will specifically require the use of humane methods in the slaughter of food animals. The question is under study by a joint committee of the Ontario society for the prevention of cruelty to animals and the meat packers' council of Canada. The services of a top ranking veterinary research officer of the Department of Agriculture have been put at the disposal of the committee to assist it in its study. Until this committee has reported we do not feel in the Department of Agriculture that we should make any recommendations.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CABINET MINISTERS—DIRECTORSHIPS IN COMPANIES

Question No. 4—**Mr. Knowles (Winnipeg North Centre):**

1. Are any cabinet ministers now directors of any companies, corporations, etc.?

2. If so, which ministers, of what companies or corporations, and on what dates were any directorships presently held by cabinet ministers assumed?
3. Have any cabinet ministers resigned any directorships since being sworn of the privy council?
4. If so, which ministers, on what dates and from what companies or corporations?

HIGHWAY BRIDGE, CHATHAM-FERRY ROAD, N.B.

Question No. 47—**Mr. McWilliam:**

1. Has a request for financial assistance toward the survey and construction of highway bridge across the Miramichi river between Chatham and Ferry Road, New Brunswick, from the provincial government of New Brunswick, and/or the town council of the town of Chatham, New Brunswick, the Chatham, New Brunswick, board of trade, or from any other group or individual, been received by the Prime Minister and/or the ministers of national defence, public works and transport?
2. What is the policy of the government in connection with financial assistance towards construction of highway bridges, within provinces, other than trans-Canada highway bridges?

ORDNANCE DEPOT SITE, COQUITLAM

Question No. 53—**Mr. Regier:**

1. What were the total expenditures made by the government for, and on, the land purchased for an ordnance depot in the municipality of the district of Coquitlam?
2. What are the names and addresses of the recipients of this money and what amount was paid in each case?
3. Has this property been sold? If so, to whom was it sold and for how much?
4. Did the municipality of the district of Coquitlam apply for purchase of this property?
5. If so, what has been the disposition of this request and what are the reasons for such disposition?

POPULATION AND AREA STATISTICS

Question No. 59—**Mr. Fisher:**

1. What is the mean population figure of Canadian federal constituencies?
2. What is the mean area figure of Canadian federal constituencies?
3. Given a ratio of area over population, which ten constituencies had the largest fractions, which ten constituencies had the smallest fraction, following the 1956 census?
4. How many constituencies had a population of less than 40,000 at the 1956 census?

MOTIONS FOR PAPERS

POST OFFICE DEPARTMENT—TRANSPORTATION ORDER 107

Motion No. 6—**Mr. McIlraith:**

For a copy of transportation order No. 107 of the district director of postal services, dated August 7, 1957, and sent by the Post Office Department to mail contractors throughout Canada.

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, I have discussed this motion with the hon. member, and in order that the document may be properly and completely described the motion should read "district director of postal services, Ottawa" and the last two words "throughout Canada" should be dropped. This is agreeable to the hon. member.

Mr. McIlraith: The suggested amendment is agreeable to me.

Mr. Speaker: Is it the pleasure of the house that permission to amend be granted?

Some hon. Members: Agreed.

Mr. Speaker: Is it the pleasure of the house to adopt the motion as amended?

Some hon. Members: Agreed.

Motion agreed to.

UNEMPLOYMENT ASSISTANCE ACT—PARTICIPATION BY ONTARIO

Motion No. 8—**Mr. Martin (Essex East):**

For a copy of all correspondence, telegrams and other documents exchanged between the federal government and the province of Ontario since June 10, 1957, with respect to participation by that province under the Unemployment Assistance Act of 1956.

Hon. J. W. Monteith (Minister of National Health and Welfare): I presume that this will be subject to obtaining agreement of the provincial authorities.

Mr. Speaker: Subject to that limitation, is it the pleasure of the house to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO NEGOTIATION OF RECIPROCAL AGREEMENT WITH MAINE

On the orders of the day:

Hon. Jean Lesage (Montmagny-L'Islet): I should like to direct a question to the Minister of Labour. Would he tell the house what progress is being made in negotiations with the state of Maine toward reaching a reciprocal agreement with regard to unemployment insurance?

Hon. Michael Starr (Minister of Labour): As I understand it, in the past the state of Maine has not been agreeable to entering into any agreement in this regard. Some efforts have been made within recent months in the same field, but as yet they have not been acceptable. It is a matter in which I am vitally interested, and the efforts on our behalf will not be stopped.

FISHERIES

INQUIRY AS TO LEGISLATION TO GUARANTEE PRICES

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask the Minister of Fisheries if it is his intention to introduce legislation, similar to that of which the Minister of Agriculture has given notice, to provide guaranteed prices for fisheries products?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, this is obviously a matter of government policy, and when a decision is made it will be announced to the house in due course.

Mr. Pickersgill: May I ask a supplementary question. Does the minister not think the fishermen are just as deserving as the farmers?

CONTAMINATED OYSTERS AND CLAMS—PROTECTION AGAINST SALE

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): I should like to address a question to the Minister of National Health and Welfare arising out of a newspaper article in the Vancouver *Sun* of October 28, which indicates that clam and oyster sales have been stopped in the greater Vancouver area.

Mr. Monteith: Would the hon. member repeat the last part?

Mr. Hahn: Which indicates that clam and oyster sales have been stopped in the greater Vancouver area. What steps have been taken to guarantee that wholesalers have not sold any of these contaminated oysters and clams in the prairie provinces and other parts of British Columbia.

Hon. J. W. Monteith (Minister of National Health and Welfare): I will have to take that question as notice.

CITIZENSHIP AND IMMIGRATION

INDIAN AFFAIRS—INSPECTION OF FIRE HAZARDS ON RESERVES

On the orders of the day:

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I should like to direct a question to the Acting Minister of Citizenship and Immigration. Has the minister's attention been drawn to the statement of Mr. A. Beasley, chief of the View Royal fire brigade, appearing in the Victoria *Daily Colonist* of October 23 in connection with the recent fire on the Songhees reserve which cost the lives of two Indian children, in which Mr. Beasley stated that the Indian affairs branch carries out no inspection of chimneys and other fire hazards on the reserve and that the Indian agent at Duncan had failed to reply to four letters written by Mr. Beasley in regard to fire protection on the reserve?

If so, can the minister inform the house as to the correctness of Mr. Beasley's assertion that no inspection is carried out, and can he tell the house whether his department is considering entering into agreements with municipalities contiguous to Indian reserves to ensure fire protection on the reserves?

Hon. E. D. Fulton (Acting Minister of Citizenship and Immigration): Mr. Speaker, since receiving from the hon. gentleman notice of his intention to ask this question, for which notice I thank him, I have had inquiries made of the director of the Indian affairs branch. Unfortunately I have to tell the hon. gentleman that neither I nor the director had noticed the news report to which he referred. Inquiries are being pursued immediately by the director in order to get the full facts. Until an answer is received I am not able to give the hon. gentleman any further information, although of course I cannot at the moment accept the statement which I understand was made to the effect that the department is not co-operating and does not carry out inspection. However, I will give a full report as soon as the information is received.

ADMINISTRATION OF JUSTICE

CITIZENSHIP AND IMMIGRATION—STATEMENT ON MONTREAL COURT DECISION

On the orders of the day:

Hon. E. D. Fulton (Minister of Justice): While I am on my feet, Mr. Speaker, may I inform the house of the position with regard to the immigration case in Montreal which was the case put by way of a question by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) on October 22.

As the house knows, this case has been proceeding for a good many years and involved charges of conspiracy against four individuals. The charges against the four individuals concerned were quashed and the individuals were acquitted by Judge Willie Proulx of the court of the sessions of the peace in Montreal on Monday, October 21.

In the province of Quebec 15 days are allowed within which to enter appeals in the case of indictable offences. After consideration of the legal questions involved the agent of the Minister of Justice, with the approval of the attorney general of the province of Quebec, was instructed to enter appeals to

the court of appeal of Quebec. The agent of the Minister of Justice is proceeding accordingly.

HEALTH INSURANCE

REPORTED REQUEST THAT PROVISION BE REPEALED RESPECTING PROVINCES PARTICIPATING

On the orders of the day:

Mr. W. L. Houck (Niagara Falls): Mr. Speaker, I should like to ask a question of the Minister of National Health and Welfare. I ask this question of the minister because of the statement made by Premier Frost in Toronto yesterday. Has the minister received from Premier Frost a letter asking for the repeal of the section of the hospital insurance act requiring that six provinces introduce plans before there is federal participation in costs? If the minister has received any such letter in this respect, would he be willing to table the correspondence, and is he willing to accept Premier Frost's suggestion?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I have not received any such letter. I would say that actually this is a matter of government policy. As a consequence I do not feel that I could announce at the moment whether or not the suggestion would be accepted if I had received such a request.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask a supplementary question of the Minister of National Health and Welfare. Was the premier of Ontario speaking for the federal government when he said that provision of the act was frustrating the Diefenbaker government?

Mr. Speaker: Order.

An hon. Member: Will it be announced on television?

Mr. Speaker: Order. The questions asked in the house must, of course, relate to matters under the jurisdiction of the ministry in this house and not of some other government.

ONTARIO—ANNOUNCEMENT RESPECTING OUT-PATIENT DIAGNOSTIC SERVICES

On the orders of the day:

Mr. Stanley Haidasz (Trinity): Mr. Speaker, I should like to ask the Minister of National Health and Welfare what is the attitude of his department with regard to the announcement by the Ontario hospital services commission that it does not intend to provide out-patient diagnostic services for the people of Ontario, as provided for by an act of this parliament.

Mr. Speaker: Order. That question is similar in character to the question which has just been asked. As I understand it, it is really a question about the activities of a commission which is not subject to the jurisdiction of this parliament or government. It is an Ontario commission.

Mr. Haidasz: My question was with respect to the attitude of the department of health, that is to say the federal Department of National Health and Welfare.

An hon. Member: That is a matter of policy.

Mr. Speaker: My point is this. The federal department of health cannot be expected to have an attitude with respect to the responsibilities of another government. It is not their responsibility.

ONTARIO—TREATMENT OF MENTAL AND TUBERCULAR PATIENTS

On the orders of the day:

Mr. W. H. McMillan (Welland): Mr. Speaker, I would like to direct a question to the Minister of National Health and Welfare. Has this government had any discussions with the province of Ontario concerning proposed federal contributions toward the cost of treating mental and tubercular patients in that province?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I will have to take that question as notice. I could not say at the moment whether we have or not.

REPORTED REQUEST FOR MEETING OF PROVINCIAL MINISTERS

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I wonder if I could ask the Minister of National Health and Welfare if he has yet had an opportunity of considering the question which I put to him a week ago, with regard to the request of the minister of health of Manitoba for a conference of all the provinces and the federal government in the matter of the hospital insurance act?

Hon. J. W. Monteith (Minister of National Health and Welfare): I think, Mr. Speaker, my answer would be the same as I gave at that time, and that was to the effect that we are giving very intensive consideration to the whole matter.

Mr. Martin (Essex East): Mr. Speaker, as this is an extremely important matter may I ask a supplementary question. Is my hon. friend in a position to say today or perhaps

tomorrow whether such a conference would be held before the general conference with the provinces on November 25, or would it be held simultaneously with the larger conference?

Mr. Monteith: Well, Mr. Speaker, I am not in a position to answer that at the moment, because I do not know.

NATURAL RESOURCES

BRITISH COLUMBIA—REQUEST FOR R.C.M.P. REPORT ON FOREST MANAGEMENT LICENCES

On the orders of the day:

Mr. A. B. Macdonald (Vancouver-Kingsway): Mr. Speaker, I should like to address a question to the Minister of Justice.

Mr. Speaker: If the hon. member is about to ask the question of which he was good enough to send me a copy, may I say that I endeavoured to get in touch with him to advise him that the only part of the question which seemed to me to come within the practice of this house was that part which asked whether a certain report would be tabled. If the hon. member will limit his question to that request for information he may proceed.

Mr. Macdonald (Vancouver-Kingsway): I think I can do that, Mr. Speaker. I would like to ask the Minister of Justice whether he will make available to this house and publish the report of the Royal Canadian Mounted Police dealing with the charges of bribery and conspiracy in the granting of forest management licences in the province of British Columbia.

Hon. E. D. Fulton (Minister of Justice): I thank the hon. gentleman for giving me notice that he intended to raise this matter today, though he has not raised it in the rather extended form in which he originally intended. In reply I think I can only advise the hon. gentleman that my understanding is that this report was made at the request of and provided for the government of the province of British Columbia. That being the case, it rests with that province and with that authority as to whether or not the report will be made public.

Mr. Macdonald (Vancouver-Kingsway): May I then ask a supplementary question, Mr. Speaker. Would the minister say whether or not the federal government paid for that report and investigation?

Mr. Fulton: Mr. Speaker, I will have to take that as notice. It is my impression that the major portion of the cost of investigation was borne by the province but that some of the costs were borne by the federal government. I will have to check on that and let the hon. member know.

SHIPPING

M. V. "BURIN"—EXTENT OF DAMAGE AND INTERRUPTION OF SERVICE

On the orders of the day:

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, I would like to direct a question to the Minister of Transport. Would he inform the house as to the extent of the damage suffered by the C.N.R. coastal boat, the motor vessel *Burin,* and what steps are being taken to prevent any interruption in this coastal service?

Hon. George H. Hees (Minister of Transport): I would like to thank the hon. gentleman for giving me notice of his intention to ask this question. I have been in touch with the management of the Canadian National Railways and am advised that in the early morning of October 29 the motor vessel *Burin* grounded in the vicinity of North Harbour, the most northerly port of call in Placentia bay. All passengers have been taken ashore and S.S. *Glencoe* has been ordered to go to the assistance of the ship, which appears to be in no immediate danger. No information is available yet as to the extent of the damage incurred.

ST. LAWRENCE RIVER—IMPROVEMENT OF FACILITIES DURING WINTER SEASON

On the orders of the day:

Mr. Auguste Maltais (Charlevoix): Mr. Speaker, may I direct a question to the Minister of Transport or to the Minister of Public Works. What steps are now being taken to improve navigation facilities on the St. Lawrence river north of Quebec during the coming winter season?

Hon. George H. Hees (Minister of Transport): Every year, Mr. Speaker, the Department of Transport employs icebreakers to look after that problem, and it will be done again this season.

Mr. Maltais: May I address a supplementary question to the Minister of Public Works. Has the Minister of Public Works received any representations regarding the increasing difficulties encountered by winter navigation on the St. Lawrence river north of Quebec, and what steps are to be taken to improve the dock facilities at Pointe-au-Pic, 90 miles below Quebec city?

Mr. Green: I do not think we have had such representation, but I will make inquiries for the hon. member.

FACILITIES TO BE USED AT SAULT STE. MARIE LOCKS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to direct a question to the Minister of Transport. Since there are no definite plans to prepare the Canadian Sault locks for deep sea draught vessels, can we assume that the United States locks at the Sault are to be the future passageway of such vessels going to and from lake Superior?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I should like to take that question as notice.

LABOUR CONDITIONS

KITIMAT—REPORTED CLOSING OF CONSTRUCTION OPERATIONS

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I would like to direct a question to the Minister of Labour relating to the situation mentioned yesterday. I wonder if the minister would undertake to recommend to the government that it pay the transportation and other related costs of those employees at Kitimat, particularly those with families, who find it necessary to leave Kitimat as a result of the recent action of the Saguenay-Kitimat Company in completely closing down its operations?

Hon. Michael Starr (Minister of Labour): In answer to the hon. member's question I may say that the lay-off of approximately 1,500 persons came very suddenly and apparently as the result of a decision by the Aluminum Company of Canada to suspend the expansion program which they had originally scheduled for this time. I can promise the hon. member that my officials will study the situation with a view to ascertaining what action may be most effectively taken by the unemployment insurance commission in respect to declaring the area a labour surplus area.

I can say immediately, Mr. Speaker, that the officials of the unemployment insurance commission in Kitimat have already been given instructions to process as quickly as possible claims for people who have been laid off, and I can also assure the hon. member that every facility of the unemployment insurance commission will be placed at the disposal of these people.

Mr. Howard: May I then ask a supplementary question, Mr. Speaker. I wonder if the minister could advise whether there is any provision in the Unemployment Insurance Act or some similar act to allow for the payment or the advancing of money for transportation costs.

Mr. Starr: Well, Mr. Speaker, we are investigating the possibility of declaring this area a labour surplus area, which automatically provides for the payment of transportation for people who wish to go to other places to get employment.

PUBLIC SERVICE

NATIONAL DEFENCE—APPLICATION OF REGULATIONS RESPECTING DISMISSAL OF EMPLOYEES

On the orders of the day:

Mr. W. J. Henderson (Kingston): Mr. Speaker, I would like to address a question to the Minister of National Defence. Does the minister differentiate between civil servants and casual labourers employed by his department with respect to regulations regarding their employment?

Hon. G. R. Pearkes (Minister of National Defence): I am not certain as to the implications of that question, but there are of course different sets of regulations governing civil servants who are permanent employees and those who are casual. I could not spell out the differences now; perhaps if the hon. member wishes a more detailed answer he would be specific in his request and put a question on the order paper so that I could give him a complete answer.

Mr. Henderson: Perhaps I can be more specific, Mr. Speaker, if I ask the minister this question. Do the regulations outlined yesterday by the Minister of Transport with respect to the political partisanship of casual labourers employed by the Department of Transport also apply to casual labourers employed by the Department of National Defence.

Mr. Pearkes: I would like to take that question as notice, and I will look into the matter.

POST OFFICE DEPARTMENT—DISMISSAL OF EMPLOYEES FOR POLITICAL PARTISANSHIP

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I should like to direct a question to the Postmaster General. I presume he has had ample time to study the answer given yesterday by the Minister of Transport. Is he now prepared to answer my question?

Hon. W. M. Hamilton (Postmaster General): I thought my answer yesterday covered the matter. As I remember it, I said I would

study the remarks of the Minister of Transport and see whether they applied.

Mr. Robichaud: Do they apply?

RESEARCH AND DEVELOPMENT

STATEMENT AS TO PARTICIPATION OF CANADA IN ANGLO-AMERICAN GROUP

On the orders of the day:

Hon. G. R. Pearkes (Minister of National Defence): While I am on my feet might I give a reply to a question asked yesterday by the hon. member for Algoma East (Mr. Pearson). The hon. member asked whether Canada is to be included in the agreement between the United Kingdom and the United States, as reported in the press of that day in Washington, to divide the responsibility for development of future atomic weapons and to share information obtained in their separate research and development. I would refer to the joint statement issued on October 26 by the President of the United States and the Prime Minister of the United Kingdom, which states as follows:

> The President of the United States will request congress to amend the atomic energy act as may be necessary and desirable to permit the close and fruitful collaboration of scientists and engineers of Great Britain, the United States and other friendly countries.

I assume when the hon. member speaks of an agreement it is to this statement that he refers. It will be noted that the President is to request congress to make amendments to allow the collaboration of scientists and engineers from not only Great Britain and the United States but also other friendly countries. We are sure that both the United States and the United Kingdom regard Canada as a friendly country, and therefore we would be included in any arrangements which might be made under these amendments.

HOUSE OF COMMONS

REFERENCE TO INCREASED INDEMNITY OF MEMBERS OF PARLIAMENT

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, I should like to direct a question to the Prime Minister. Will the Prime Minister assure the house and reassure the country that the government does not contemplate suggesting an increase in the indemnity of members of parliament?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I think I can answer this question in a way that would suit even the hon. member for Laurier (Mr. Chevrier). The answer is no.

[Mr. Hamilton (Notre Dame de Grace).]

Mr. Gauthier (Portneuf): Will it be announced on TV?

[*Later:*]

Mr. Diefenbaker: Mr. Speaker, lest there be any misunderstanding about my brief answer to the question asked by the hon. member for Winnipeg North when I answered by a simple negative, let me say that there has been no consideration of the matter and there is no intention to increase the indemnities of members.

TELEVISION

INVERNESS-RICHMOND—REQUEST FOR PROVISION OF SATELLITE SERVICE

On the orders of the day:

Mr. A. J. MacEachen (Inverness-Richmond): Mr. Speaker, I should like to direct a question to the Minister of Transport. Can the minister offer any indication to the residents of Inverness-Richmond, who are presently without satisfactory television service, that the application of station CJCB-TV, Sydney, to establish a satellite station in the Inverness area will be reconsidered and subsequently approved?

Hon. George H. Hees (Minister of Transport): As the hon. member has not given notice of his intention to ask this question I shall have to take this as notice and check up on that matter.

AGRICULTURE

STATEMENT ON RESEARCH RESPECTING INSECTS ATTACKING RAPE PLANTS

On the orders of the day:

Mr. William Bryce (Selkirk): Mr. Speaker, I would like to direct a question to the Minister of Agriculture. What steps are being taken or what research is being done by the Department of Agriculture to check the insects that attack rape plants?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I should like to thank the hon. member for giving me notice of this question. Active research on the control of the insect pest species attacking rape is in progress at two science service laboratories in western Canada. Work formerly carried on at Brandon has now been transferred to the laboratory at Winnipeg. The Manitoba work has been confined to establishing the identity, distribution and abundance of the insect species involved leading up to a forecasting system. A more intensive program is being directed from the Saskatoon laboratory.

The bertha army worm is the most important pest of rape in Saskatchewan in recent years. Each year surveys are carried

out to forecast the abundance of moths and the potential of outbreaks and damage in each district. The Saskatoon laboratory uses radio, newspapers and direct contact with district agricultural representatives to inform farmers of the hazard. In districts where the infestation is likely to be severe special attention is paid to extension work via the agricultural representatives.

A satisfactory chemical control of bertha army worm has been developed. This involves the application by aeroplane of D.D.T. in diesel fuel oil at 10 ounces per acre in two to three quarts per acre. This control method is used extensively and is well known by both farmer operators and custom aircraft spray applicators. It is common practice for the custom applicators to be in constant touch with the Saskatoon laboratory and to keep supplies of the necessary materials on hand. Investigations are being continued on the potential usefulness of newer insecticides for the control of this pest.

Other insects of importance in rape production are the red backed cutworm, beetwebworm and the red turnip beetle. In Alberta some fields were destroyed by red backed cutworms in 1957, and this insect can be of importance if it occurs in outbreak proportions in Saskatchewan. Work is still in progress on the chemical control of beetwebworm, and progress depends upon the availability of infestations suitable for field investigation. The red turnip beetle is of potential importance, particularly in the spring. No work is at present in progress at Saskatoon on the control of this insect on rape, but investigations carried on elsewhere have shown that effective control can be obtained with D.D.T.

COAL

STATEMENT ON STEPS TO ASSIST PRODUCTION AND MARKETING

On the orders of the day:

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, on October 28 the hon. member for Bow River (Mr. Johnston) asked the following question:

> I would like to address a question to the Minister of Mines and Technical Surveys or to the Minister of Trade and Commerce, whoever is in a position to answer it. What steps has the government taken to increase coal production and marketing in Canada so that our coal mining industry might have some relief from its present depressed condition? Especially am I interested in the coal mining industry in western Canada.

In reply I would say that the long-established policy of subvention assistance has been continued which provides for the movement of Canadian coal to markets in central Canada within economic limits. Under this policy a market has been provided for all the maritime coal produced at reasonable costs, and further assistance beyond this limit to maintain the Springhill collieries. In western Canada the Saskatchewan mines have enjoyed an increasing market, as shown by their output. The Alberta and British Columbia mines are faced with severe competition from Canadian oil and gas produced from wells in the area. Subvention assistance has recently been further extended to enable the mines to develop new markets in western Ontario and increased assistance provided on exports to countries other than the United States.

CANADIAN NATIONAL RAILWAYS

NEW BRUNSWICK—INQUIRY AS TO ABANDONMENT OF MONCTON-SHEDIAC LINE

On the orders of the day:

Mr. H. J. Murphy (Westmorland): Mr. Speaker, I would like to direct a question to the Minister of Transport. Will the minister inform the house if it is a fact that the Moncton-Shediac railway now operated by the Canadian National Railways is to be abandoned?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I received no notice of this question. I will inquire of the Canadian National Railways and advise the hon. member tomorrow.

PUBLIC BUILDINGS

SOREL, QUE.—REPORTED PATRONAGE IN EMPLOYMENT OF WORKERS

On the orders of the day:

Mr. Lucien Cardin (Richelieu-Vercheres): Mr. Speaker, I would like to direct a question to the Minister of Public Works. Has the minister's attention been drawn to the fact that in the selection of workers for the construction of the post office building in Sorel the federal employment bureau has been completely by-passed, and that discriminatory political patronage is practised on a large scale? If so, what does the government intend to do about it?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I will be very glad to look into the situation.

WINNIPEG—STATEMENT AS TO DISPOSITION OF OLD POST OFFICE

On the orders of the day:

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, on Monday last the hon. member for Winnipeg North Centre asked me a question concerning the old post office building in Winnipeg. He wanted to

know what would be done with it when the new building was opened. The answer is that the old post office building and the annex will be declared surplus and turned over to Crown Assets Disposal Corporation.

MUNICIPAL IMPROVEMENTS ASSISTANCE

INQUIRY AS TO REACTIVATING LEGISLATION

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like to direct a question to the Minister of Finance. In the light of the reply given by the Prime Minister (Mr. Diefenbaker) the other day to the hon. member for Macleod (Mr. Hansell) as to the role of the municipalities at the forthcoming dominion-provincial conference, and in the light of the serious unemployment situation facing us this fall, especially out on the west coast, is the government giving any consideration to reactivating the Municipal Improvements Assistance Act?

Mr. Martin (Essex East): No.

Hon. Donald M. Fleming (Minister of Finance): That obviously would be a matter of government policy.

PUBLIC WORKS

MONTREAL—PROPOSED NUNS' ISLAND CAUSEWAY

On the orders of the day:

Mr. Yves Leduc (Verdun): Mr. Speaker, I should like to direct a question to the Minister of Public Works. I have been informed that the government had already disagreed with the preliminary plans prepared by Quebec Home and Mortgage Corporation for the construction of a causeway from the rear of the Verdun auditorium to Nuns' island because such plans do not provide any passage for navigable pleasure boats.

Some hon. Members: Order.

Mr. Leduc (Verdun): Would the minister tell the house if the matter is still under study, and would he also comment on the possible dangers and inconveniences for the residents of the city of Verdun and the vicinity if the proposed causeway were to be built, namely the dangers of flooding and pollution of the waters?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I will have to take the question as notice.

Mr. Speaker: It would be more appropriate to put the question on the order paper.

[Mr. Green.]

NOVA SCOTIA—STATEMENT AS TO BREAKWATER-CAUSEWAY BETWEEN MAINLAND AND PORT HOOD ISLAND

On the orders of the day:

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, yesterday the hon. member for Inverness-Richmond asked me whether any agreement had been reached with the province of Nova Scotia for the construction of a breakwater-causeway between the mainland and Port Hood island. The answer is that, while negotiations are under way, no agreement as been reached as yet.

POWER

NOVA SCOTIA-NEW BRUNSWICK—REQUEST FOR COPY OF REPORT

On the orders of the day:

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, yesterday the hon. member for Inverness-Richmond (Mr. MacEachen) asked me about the presentation of the Montreal Engineering Company report in regard to the requirements for power and the location of power plants and interconnection lines in Nova Scotia and New Brunswick, and whether copies would be made available to the house.

The report, Mr. Speaker, by the Montreal Engineering Company, as my hon. friend knows, was commissioned by the Northern Canada Power Commission in order to investigate the best location of thermal power plants to serve the needs of New Brunswick and Nova Scotia and the probable extent of plants that might be required in the immediate future having regard for interconnection lines that should be built. The report has been received and copies have been provided to the governments of the two provinces.

The hon. member asked if it would be made available. The answer, Mr. Speaker, is that it is not intended to make the report public at the present time. It is my view, as minister in charge, that it would not be in the public interest to divulge the professional advice tendered by the consulting engineers while a number of arrangements are still pending. This is also the view of the governments of the two provinces concerned. I am sure that if my hon. friend were in my position he would be of the same opinion.

Hon. Jean Lesage (Montmagny-L'Islet): A supplementary question, Mr. Speaker. Does the minister believe that these reports, which have been supplied by that company, should

be made known to the governments of New Brunswick and Nova Scotia before they are made known to the members of this house?

Mr. Hamilton (Qu'Appelle): I would certainly suggest that if we are going to arrange any proposition between the governments of those provinces and this government they certainly should have them to study them.

An hon. Member: Before this house?

Mr. Lesage: Since the report is being paid for out of moneys voted by this house, does the minister not believe that members of this house should be entitled to the reports before other governments?

Mr. Hamilton (Qu'Appelle): Mr. Speaker, the hon. member for Montmagny-L'Islet should know by this time that there are certain matters which in the public interest should not be divulged until all the matters in the report are dealt with.

Mr. Lesage: In the party's interest, you mean.

Mr. MacEachen: I have a supplementary question, Mr. Speaker.

Mr. Speaker: I think two supplementary questions to the original question are sufficient.

Mr. Claude Richardson (St. Lawrence-St. George): On a question of privilege, Mr. Speaker, if I may: I do not know what the rules are about supplementary questions, but the hon. member for Inverness-Richmond is the one who posed the original question and did not ask any supplementary questions at all. I wonder, in those circumstances, whether you would reconsider your observation and allow him to ask a supplementary question.

Mr. Speaker: I would be glad to. I did not realize the hon. member for Inverness-Richmond had initiated the question. Briefly, the rules with respect to supplementary questions are that supplementary questions are limited to clarification of the answer, and usually one supplementary question either indicates that there will be a clarification or that there will be a debate. In this case it seemed to me the matter was moving in that direction; therefore I took the liberty to stop the hon. member. I give him the floor now.

Mr. A. J. MacEachen (Inverness-Richmond): My supplementary question to the minister is this. In the light of the fact that similar studies on thermal power, made in 1954 by Professor Christie for the dominion coal board, were made public and were the subject of wide public discussion, would he not now reconsider his decision not to make these further reports available which, I am sure, will enable the citizens of Nova Scotia and New Brunswick to reach some important judgments about thermal power in those provinces.

Mr. Speaker: If I may say so, that I think illustrates the difficulty of extending supplementary questions, because the only result of the hon. member's question is that he makes certain observations which are out of order, and asks the minister again if he will reconsider. The minister has already answered. However, I leave it to the minister if he wishes to answer again.

MARITIME PROVINCES—INQUIRY AS TO DEVELOPMENT OF NUCLEAR POWER

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources. Can the minister advise the house whether consideration has been given recently to the development of nuclear power in the maritime provinces?

Mr. Murphy (Westmorland): Are you not interested in the east as well as in the west?

Mr. Robichaud: He does not want to give consideration to New Brunswick.

Mr. Brooks: What consideration did your government give in 22 years?

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I rise on a question of privilege, which is this, sir. A question was asked by the hon. member who rose to speak just before I did, and no answer has been given to the question. Perhaps the minister did not hear the question; I do not know. But I think there should be an answer by the minister.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, if I might say a word, my hon. friend seems to be suffering from his embarrassing discomfiture of yesterday. The question was asked in such a way that it could not be heard. I know I tried to hear it and could not. Then, subsequently, another question was asked. My hon. friend should just hold himself a little.

Mr. Chevrier: Why didn't you answer the question?

Mr. Speaker: Order. Are you on the same question of privilege?

Mr. Robichaud: In the question I asked the minister I was seeking information concerning the maritime provinces. I feel that as a member of this house I have the right to ask such a question.

Inquiries of the Ministry

Some hon. Members: Question.

An hon. Member: You did ask it.

Mr. Speaker: Undoubtedly the hon. member has the right to ask a question, but he has no right to insist upon an answer. It is entirely optional to the minister who is asked the question whether or not he answers. There is no doubt about that. If the hon. member's question was not heard perhaps he would like to repeat it.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Would the hon. member repeat his question? I am very sorry, but I did not hear the end of it.

Mr. Robichaud: Has the government in recent months given any consideration to the development of nuclear power in the maritime provinces?

Mr. Hamilton (Qu'Appelle): Certainly we have. It is always under consideration.

Mr. Robichaud: May I ask a supplementary question. Is the minister prepared to make a report on what has been done in recent months about this particular problem?

Some hon. Members: Answer.

Mr. Gauthier (Portneuf): Not interested in the east.

AIRPORTS

ABBOTSFORD, B.C.—INQUIRY AS TO EFFECT OF CHANGEOVER ON EMPLOYEES

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the report appearing in the Abbotsford, Matsqui and Sumas *News* to the effect that the Department of Transport would take over the operation of the Abbotsford airport from the Department of National Defence on April 1, 1958, will the minister make a statement to the house relative to the changeover and its effect upon those presently employed by the Department of National Defence?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I thank the hon. member for giving me notice of his intention to ask this question. Negotiations are under way at the present time between the Department of Transport and the Department of National Defence regarding the future operation of Abbotsford airport by the Department of Transport as an alternate to the Vancouver international airport. These negotiations have not been finally resolved, although it is hoped that the arrangements will be effective April 1, 1958.

[Mr. Robichaud.]

Regarding the personnel to whom the hon. member refers, I have been advised by the Department of National Defence that Abbotsford is on a care and maintenance basis and has been used for summer training. There are no civilians employed by the R.C.A.F. at this station.

TRADE

FISH—STATEMENT AS TO NEWFOUNDLAND EXPORTERS ASSOCIATION

On the orders of the day:

Mr. Thomas M. Bell (Parliamentary Assistant to the Minister of Trade and Commerce): Mr. Speaker, yesterday the hon. member for Trinity-Conception (Mr. Stick) asked me, in the absence of the Minister of Trade and Commerce:

What action, if any, is contemplated by the government regarding Newfoundland Associated Fish Exporters Limited, otherwise known as Nafel?

The answer is that Newfoundland Associated Fish Exporters Limited is at present operating under the terms of P.C. 1954/957. If and when any change is made hon. members will be informed.

EXTERNAL AFFAIRS

INQUIRY AS TO APPOINTMENT OF AMBASSADOR TO VATICAN

On the orders of the day:

Mr. Wilfrid LaCroix (Quebec-Montmorency): May I ask the Prime Minister a question. Following the statement made by the ambassador for Ireland to Canada last Sunday, October 27, as reproduced by the Ottawa journal, *Le Droit*, may I ask whether it is true that the government has decided on the appointment of an ambassador to the Vatican?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have not read the report. After reading the report I will be in a position to give the same kind of answer the former prime minister used to give to that question.

Mr. Bourget: The Solicitor General made some comments on that.

(Translation):

PRIVILEGE

MR. ARSENAULT—CORRECTION REGARDING POLITICAL ALLEGIANCE

On the orders of the day:

Mr. Neree Arsenault (Bonaventure): Mr. Speaker, I rise on a question of privilege. In *Hansard* of October 29, 1957, the hon. member for Quebec-Montmorency (Mr. LaCroix) is reported as stating:

I did not do as did the hon. member for Bonaventure (Mr. Arsenault) who, after being returned as an independent, on the very day after the election proclaimed himself a Conservative member.

I would like to have this comment corrected, Mr. Speaker, as it is utterly untrue. In fact, on May 4, 1957, at New Carlisle, I was unanimously chosen as Progressive Conservative candidate at the official convention. On nomination day, I stated that I was a Progressive Conservative candidate and I was elected as such last June 10.

Mr. LaCroix: You ran your whole campaign as an independent candidate.

(Text):

BRIDGES

THREE RIVERS-STE. ANGELE—INQUIRY AS TO REPORTS CONCERNING CONSTRUCTION

On the orders of the day:

Mr. Maurice Bourget (Levis): I should like to direct a question to the Minister of Public Works. Have reports been made to the department regarding the construction of a bridge between Three Rivers and Ste. Angele in the province of Quebec?

Hon. Howard C. Green (Minister of Public Works): I do not know of any such reports, but I will make inquiries.

LIVESTOCK

HOGS—INQUIRY AS TO LEGISLATION TO STABILIZE PRICE

On the orders of the day:

Mr. Peter Stefura (Vegreville): I should like to direct a question to the Minister of Agriculture. I have not given him notice but perhaps he may be able to answer it. Would the minister comment on the steady decrease in the price of hogs on the Canadian livestock markets, and does the government intend to introduce legislation this session which would tend to stabilize the price of hogs?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, it was indicated in the speech from the throne and is further indicated by the resolution printed in today's *Votes and Proceedings* that we intend to bring in legislation to stabilize the prices of agricultural products. As far as the price of hogs is concerned, I think the hon. gentleman probably knows that the decline that has taken place in the price of hogs during the last month to six weeks is the sort of thing which has been going on for many, many years when the heavy fall run of hogs has come on the market.

(Translation):

POST OFFICE DEPARTMENT

INQUIRY AS TO CONTRACTS TO RURAL MAIL CARRIERS

On the orders of the day:

Mr. Joseph Langlois (Berthier-Maskinonge-Delanaudiere): Mr. Speaker, I should like to address a question to the Postmaster General. Is it the policy of the Post Office Department, in awarding contracts to rural mail carriers, to disregard the lowest bidder?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, our policy regarding such contracts is to award them to the lowest bidder in all cases where it is possible to do so in a regular way.

Mr. Robichaud: Even if they are involved in politics?

(Text):

GRAIN

MEASURE TO PROVIDE CASH ADVANCES ON FARM-STORED GRAIN

The house resumed, from Tuesday, October 29, consideration in committee of Bill No. 14, to provide for advance payments for prairie grain prior to delivery thereof—Mr. Harkness (for Mr. Churchill)—Mr. Courtemanche in the chair.

On clause 1—*Short title.*

Mr. Argue: Mr. Chairman, ordinarily the practice in connection with these bills referring to agricultural matters has been to send them to the agriculture committee for study and consideration. We, of course, did not make that suggestion in connection with this bill because we did not want to hold up the proceedings of the house or the bringing into effect of the measure itself. But in so far as the general field of cash advances and agricultural policy are concerned, I think it would be greatly to the advantage of the members of this house, and to the agricultural industry of this country, if we could have a meeting of the agricultural committee during this session to discuss some aspects of a general agricultural program.

I wonder if the government has considered whether the wheat board officials might not be brought before the agriculture committee during the current session to give a report of their stewardship, and to allow members to inquire into the grain situation at this time. It seems to me there has been a very serious drop in export markets and grain sales. Grain prices, if anything, have been weaker in recent months. Furthermore, there is the whole question of procedure in regard to interim and final payments. I think that

when the agricultural industry is in such a bad way the minister and the government might give some consideration to having the agriculture committee meet to discuss the grain situation as well as the general agricultural situation in this country.

I wonder if the minister would care to say whether or not it is the intention of the government to have the agriculture committee meet during this session?

Mr. Harkness: Mr. Chairman, the agriculture committee will be set up in due course and the government will be glad to give consideration to the request of the hon. member for Assiniboia with regard to having the officials of the wheat board appear before the committee for some discussion and investigation into the present grain situation.

Mr. Hansell: I did not speak on the second reading of this bill because I spoke during the resolution stage. Now that we are in committee, I should like to ask the minister to clarify one point. I have received some letters from individual farmers who are not too fascinated with this measure, if one can judge by the content of their letters. It appears that they may be under a misapprehension as to what it is going to cost to administer this measure. Of course, they assume it is going to cost something, and that the wheat board will have to pay it which, of course, means that the farmers of Canada as a whole will have to pay the shot whether or not they take advantage of it. In the house we have been given to understand that the administration costs, so far as the farmers are concerned, will be almost infinitesimal.

I wonder if the minister would care to make that point very clear? Perhaps he would rather wait until we are farther along with the bill, but if I can I should like to answer my farmers with regard to the cost in terms of the percentage of the cost of a bushel of wheat. If they think it is going to cost several million dollars, psychologically that seems like a lot of money. But if it is going to cost one-hundredth of a cent per bushel, that is infinitesimal. I wonder if the minister could inform the wheat growers on that particular point?

Mr. Harkness: I would be glad to do so. I am sorry to learn there is any misapprehension in regard to these matters. I thought I had made it very clear when I spoke the day before yesterday in introducing this bill for second reading. The administration costs which will be incurred by the elevator companies in issuing cheques to farmers, and the necessity of having to take on extra staff in order to handle and process applications, are going to be assumed by the elevator companies. The three western wheat pools, the United Grain Growers and the line elevator companies agreed to assume these administration costs which they, themselves, would be incurring in carrying out the administration of this measure. The administration costs which the wheat board will be paying are those which are concerned really with the issuing of forms, the printing of those forms and the extra staff required to process the forms when they are returned.

The administration costs of the elevator companies on the one hand, and the wheat board on the other, would be extremely difficult to sort out from their general administration costs and therefore it was felt—and these people agreed—that the most practical way to handle this matter was for the elevator companies to assume the administration costs that they incurred as a result of operating this scheme and the wheat board to do the same. These administration costs are not going to be large. I think the estimate of the wheat board so far as their administration costs are concerned is somewhere between $100,000 and $125,000.

I should like to point out to the hon. member that any talk about millions of dollars of costs so far as the wheat board or the farmers are concerned is incorrect. The only costs that the farmers will have any part in at all in connection with this legislation will be this amount estimated at $100,000 or $125,000. The hon. member will find in a subsequent clause that one of the methods by which the wheat board might meet these administration costs is dealt with.

Mr. Hansell: Can we assume, then, Mr. Chairman, that the administration costs will amount to merely a fraction of a cent per bushel?

Mr. Harkness: Yes, Mr. Chairman, it would be an extremely small fraction. As I say, the only costs the farmer will have any part in at all will be this $100,000 or $125,000 assumed by the wheat board.

Mr. Gardiner: On that point, may I say that when my hon. friend suggests that these administration costs will not be very high, will that not depend a great deal on the responsibility which the policy of the government or the legislation itself places upon the elevator companies, whether they be pool or privately owned?

I would think that if the responsibility for losses is made to apply to those who are going to buy the grain, either they will have to go to considerable expense in order to make absolutely certain that they are not responsible for those losses or they will have

to be extremely careful about the advances they make. I should like to know just how that is going to be avoided. I should like to know how the placing of so much responsibility on the agent or on the elevator company is going to affect the amount of the advance that goes out.

Mr. Harkness: Mr. Chairman, I dealt with this matter fairly fully the day before yesterday when I indicated that the elevator companies have indicated their willingness to assume 10 per cent of the loss on any particular advance or on every advance that they make up to an over-all total of one-quarter of one per cent of all the advance which result from loans that any particular company made. That was arrived at as an amount which would give them a sense of responsibility in making the advance. It was considered that it was sufficient for that purpose so that the agents or the elevator companies would not, we will say, enter into wild competition with one another to put out advances. At the same time it is not sufficient so that it is going to impose a heavy burden on the elevator companies.

Mr. McMillan: Mr. Chairman, I think it has been said that as a result of this bill providing for cash advances to the western farmer $100 million to $150 million a year would become available to the farmers of the west. I think this will strengthen our economy in the east as well. I think it was stated in the speech from the throne that all farmers will get a fair share of our national income. I hope this promise will be carried out in connection with the primary producers in the other seven provinces. I live in the Niagara district. We have much fruit there. Often the fruit rots on the ground and because of marketing conditions and because of the lack of storage the farmers there cannot dispose of their fruit. I hope they will get the same consideration as is being given to the western farmers. I may say that I support this bill in the hope that the farmers of Ontario, the fruit growers of the Niagara district and farmers everywhere, for that matter, will get similar consideration.

There was just one point in connection with this bill which I do not think was brought out. Government members and other members of the house said that this was emergency legislation. If this is emergency legislation, why does the government not treat it as such and put a time limit on the bill of, say, 12 months to 18 months? It seems to me that we cannot here assess the needs of the farmers of the west three or four years from now.

I recall that the Minister of Agriculture and the Minister of Trade and Commerce criticized us severely because our government was not selling more wheat. I think it is fair to say now that they are selling considerably less wheat then we were selling last year. I refer to the fact that the Minister of Trade and Commerce went to England, presumably to sell wheat. At that time Britain placed an order with the United States for a considerable shipment of wheat. I certainly do not think the Minister of Trade and Commerce was very successful in selling wheat on that particular trip. I hope he is more successful in the future. I also sincerely hope that our government will make every effort to come to a better understanding with the United States with regard to their methods of wheat marketing so that they will not put us at any disadvantage in our wheat marketing. Certainly we have traditional markets and it seems to me that the United States are making inroads into those markets.

Mr. Harkness: I am glad to hear the hon. member for Welland say he thinks that this legislation will be of general benefit throughout Canada. I am sure that it will. I do not want any misapprehension, however, to be left in the mind of anyone that $100 million or $150 million is being given to the western farmers.

Mr. McMillan: I did not say that.

Mr. Harkness: I know that the hon. member for Welland did not say that but he mentioned $150 million. I want to make sure that there is no misapprehension along that line. This money is being put out in the form of an advance. We expect that the average length of time that it will be out before it is returned is about six months.

In view of the statements which were made in this house yesterday and the day before by some hon. members, particularly the member for Quebec-Montmorency, I think the impression may have been sent abroad that $100 million or $150 million was being given to the farmers of western Canada.

Mr. McMillan: I did not mean to imply that.

Mr. Harkness: I know that. I know that the hon. member for Welland did not say that. However, as I say, some other hon. members yesterday made statements which would leave that impression. I want to make it absolutely clear that no such thing is contemplated or is going to take place.

The hon. member for Welland asked why there was no time limit on the bill if it is emergency legislation. The reason there is no time limit on it is that we believe this

legislation should remain on the statute books and be available whenever there arises a situation such as the one we have at the present time. A situation such as this has arisen before. In fact, we have had it for the past three or four years. I refer to the inability of the farmers to deliver their grain in the fall of the year and a consequent shortage of cash. With the amount of surplus wheat we have at the present time there is no question that we are going to have difficulty along that line for at least the next couple of years. That is why there is no time limit on the bill. It is needed not only this year but it will be needed next year, and it may be needed at various times in the future. We therefore think it should not have a time limit but should remain on the statute books.

There was one other thing I wished to mention. The hon. member made a statement which was made yesterday and which I refuted yesterday, namely that we are selling much less wheat than did the previous government. I put the figures on the record yesterday and I am not going to repeat them. However, the period in which there was a really big drop in the sales of wheat during the last two years was in January, February, March, April, May and June of this present year. The figures for each of those months are very much under what they were in the year before. In some cases they are approximately half. In the case of June and May they are just over half as much as they were the year before; in the case of April they are considerably less than half as much as they were the year before; in the case of March they are about three-quarters; in the case of February they are about two-thirds or a little bit more than two-thirds; and in the case of January they are about two-thirds also. That is where the big drop in our wheat sales took place, namely in the period from January to June. Since that period the sales, although they have not been quite as high as they were last year, have been up fairly close to that point and we are hoping that they will constantly improve.

Mr. McCullough: Mr. Chairman, I refrained from speaking to this bill both at the resolution stage and again on second reading. However, I do not want it to be taken that I have not an extremely great interest in this bill. I am one of those who over the years fought for this very thing. I intended to refrain from speaking at this time. However, I do not think I should miss the opportunity when the question was raised this afternoon with regard to this being a type of emergency program.

I want to point out to the government that I believe I already see some self satisfaction on the faces of its members and I detect a sort of feeling on the part of the government that there is cause for satisfaction because it is considered that this bill meets to a large extent the emergency in western Canada. I took the trouble to get from the dominion bureau of statistics the amount of the increased debt which has occurred in the three prairie provinces with which this bill might have to do and I found that in the period from 1945—

Mr. Harkness: Mr. Chairman, I rise on a point of order. This is the sort of speech which I think perhaps might have been out of order even on the second reading but I believe there is no question at all that it is out of order in committee of the whole. I think if the hon. member has any questions to ask in connection with the clause of the bill with which we are dealing he should ask such questions but he should not go on with his speech on what we might call general agricultural conditions and the relative position of the farmers, cashwise, to what it was sometime in the past.

Mr. McCullough: Mr. Chairman, I might say that I am quite familiar with the rules of the house and that one of the previous speakers speaking on the second reading went quite wide of the rules of the house in my opinion. However I shall now refrain from continuing with my remarks in this regard. Sufficient to say that I welcome this legislation; it will of course meet the immediate needs of the western farmer who perhaps has not been able to sell any of his grain. However, if this $150 million is divided amongst farmers the effect will be that the average loan will be somewhat less than five or six hundred dollars.

Now I would point out to the minister and also to the government at this time that this amount of money provided in loans under this bill has already been used up in amounts owing to the various people from whom the farmer has either obtained his fuel, his groceries, et cetera and also in respect of taxes. I therefore hope that the government will still regard this as a matter of emergency and will bring in their other program of price support.

What I had intended to ask the minister was this: since the elevator agents are the means by which advances are going to be made to the farmers, will it be necessary when the farmer goes to a certain elevator and makes application for a loan that he should make delivery of his grain to that specific elevator? In other words, would he have a choice subsequent to making application for his loan of going to some other elevator if he so desired?

Mr. Harkness: Mr. Chairman, I should like to point out firstly that these are not loans; they are advances. Secondly, the answer to the question is no. That is why the endorsement appears in the permit book. The man may make delivery at any elevator into which he can get his grain.

Mr. Nicholson: Mr. Chairman, I have been home since this measure was before us in the resolution stage and I regret that my absence prevented me from being here last night to register my vote. Had I been here I would certainly have voted for the amendment.

An hon. Member: Oh, oh.

Mr. Nicholson: I should like to say to the hon. member who is now interrupting me that he should remember that there is no farm member from the province of Manitoba representing the Liberal party, which used to have such solid support. With six Liberal members voting against this measure last night my hon. friend is going to have trouble coming back next time because the people in his riding who are going to sell their produce to the people on the prairies will say they have to have something better than what they are getting.

I was asked by the farmers to say that they do appreciate the fact that this legislation is a big improvement over what we had before us last year but I was also asked to convey to the minister that the farm people do not expect this to be any solution of their problem. It is going to give them a little more cash than they had a year ago but I would point out that no public service is a reform and when the member for Quebec-Montmorency suggests that the taxpayers are voting $150 million, there is no such thing. It has been estimated that the interest is going to cost the taxpayers of Canada well under $10 million and I think it is pretty obvious, with all the major wheat producing countries having some sort of subsidy program and with the United States having 400 ships used to transport their wheat to India as part of a give-away program, something better than $10 million from the taxpayers of Canada to meet this crisis might be expected.

I think the minister, having in fact recognized it is a crisis, might well have included the cost to the wheat board of performing their necessary services and also the costs of the grain handling companies. I think, having admitted that this is a national problem, that it is not created by the Canadian people but is forced upon us by our competitors all over the world, the minister might have considered making his government more popular still by including the administrative costs as a charge. He mentioned that it was not a large sum but I am sure that whoever will be here in a couple of years' time will think that the minister's estimates were way too low. I wonder if the minister has a calculation to show how much it would have cost if he had included enough to cover the administrative costs and the costs which the elevator companies will have to incur in connection with their work. Has he those two figures available?

Mr. Harkness: Mr. Chairman, I should like to correct a mistaken impression which I think the member for Mackenzie has and which I do not want the general public to get; that is that this is going to cost the taxpayer $10 million. It is not going to cost the taxpayer, we estimate, more than between $2 and $3 million. That is the amount of interest. If there is $100 million put out, the average length of time we estimate it might be out is about six months, as I explained two days ago, and therefore the cost will be something just over $2 million. Now if there is $150 million put out the cost will be something just over $3 million so I do not want any mistaken impression to get about that this is going to cost the taxpayer $10 million.

Mr. Nicholson: I was using the figure which the minister used when he was speaking in the French language in reply to the member for Quebec-Montmorency. However, I am glad to have this correction made at this time.

Mr. Harkness: The interjection I made when I used this figure of $10 million was because the hon. member for Melville had said the amount of the loans would not be more than $10 million. I said that on the basis that he had remarked there would not be as much put in as had been put into the loan system before and, therefore, on that basis, he was contending that the amount of this advance would not be more than $10 million. That is why I used that term in speaking in French.

Mr. Gardiner: My hon. friend did not really say that when he was speaking. He indicated that I had intimated that there was a possibility it might not be any more. Now my hon. friend is sort of leaving the impression that I definitely said it would not be any more but I am very pleased that at this time he is correcting my hon. friend from Mackenzie. Now if he has recently told the farmers out west that they were going to get $10 million in interest paid under this bill, I can

quite understand why they were very enthusiastic about it. I would suggest if he made any such statements out there, such as he made in this house a few moments ago, he ought to go back and correct them.

Mr. Harkness: If I have made any statement which attributed something to the hon. member for Melville which he did not say I apologize for it and with regard to the statement or interjection which I made in French —since my French is not too good—I cannot guarantee exactly what I did say.

Mr. Habel: It was a good effort.

Mr. McCleave: Mr. Chairman, my question is addressed to the minister as an easterner and he probably has good and sufficient answers to deal with questions of this nature. Clause 2 (1) (j) reads:

"producer" includes, as well as an actual producer, any person entitled as landlord, vendor or mortgagee,—

I am wondering if this should not be extended to include paper title so there could not be two claimants for these benefits?

Mr. Harkness: Mr. Chairman, we are not yet dealing with that clause so I do not think we should refer to it at this time. I might point out to hon. members that in the committee of the whole we cannot deal with the bill on a clause by clause basis until the first clause has been carried. Until such time we are precluded from dealing with subsequent clauses.

Mr. Deniset: Mr. Chairman, the question on which I am rising is practically a question of privilege. Since I have been brought into this discussion I feel I must speak at this time. I thought there had been sufficient discussion in the last two days to render it unnecessary for me to get up and say I am in favour of this bill.

I come from St. Boniface which is a semi-rural semi-urban constituency. As the electors of St. Boniface know very well, I am keenly interested in agriculture. I did not think I would have to rise and say so but the hon. member for Mackenzie insinuated that perhaps there were no Liberals in Manitoba who were interested in agriculture and this is absolutely false as he well knows.

Mr. Gauthier (Portneuf): They keep repeating it just the same.

Mr. Deniset: An impression has been created in this house by the C.C.F. party that the Liberal party is not interested in the farmers of western Canada and this also is completely untrue. The only thing that was correct in what the hon. gentleman said was that I was not a member of this house prior to June 10. Apart from that, however, his remarks had no basis in fact and I wish to state at this time that I am extremely interested in agriculture and so is the Liberal party.

I would like to point out to the government the problem created by tax sales. Hon. members are probably aware of the great number of tax sales occurring throughout the province of Manitoba. The danger exists that most of this money will go back to pay arrears of municipal taxes. The municipalities will give the money to the banks and this will mean that not very much money will flow back from the west to the east. I therefore agree with those hon. members who have said that this is purely and simply an emergency measure.

Mr. Martin (Essex East): Mr. Chairman, I have a brief comment to make at this time. On October 24 the hon. member for Kent (Ont.) asked the Minister of Agriculture if in view of the reference in the speech from the throne to the government's intention of introducing a measure dealing with the stabilization of farm prices would it not be desirable to bring in this measure at the earliest possible moment? His question also suggested that legislation providing for the stabilization of farm prices might also be dealt with before the debate on the speech from the throne was concluded as is the case with the bill we are now considering and the various amendments to social legislation introduced by the Minister of National Health and Welfare.

I am rising at this time simply to ask the Minister of Agriculture if in view of the importance of this question and the obvious interest in the subject indicated in all quarters of the house the request of the hon. member for Kent (Ont.) should now be given some consideration, particularly in view of the fact that he described the situation in the district from which he comes which, as in the case of the district from which I come, works a hardship on the primary producer. In my own constituency the corn growers, soybean growers and soft wheat growers are experiencing difficulty, as is the case with the farm community in general at this time. In view of this situation and on behalf of primary producers all across Canada I wonder if the Minister of Agriculture could not give us some assurance as to the decision of the government to deal with this matter at the earliest possible moment.

Mr. Harkness: Mr. Chairman, I am very much aware of the difficulty which the farmers in my hon. friend's area have been experiencing this summer due to floods and other natural hazards as well as the difficulties they encounter in disposing of their products at favourable prices. I would just

remind the hon. member that in answer to a question raised this afternoon I said that this farm stabilization resolution appears in today's *Votes and Proceedings* and if he looks it up he will find it there.

Mr. Martin (Essex East): I saw it there.

Mr. Harkness: It will appear on the order paper tomorrow.

Mr. Martin (Essex East): Thank you very much.

Mr. Argue: I think I can agree with the suggestion that this resolution should be brought down as quickly as possible. I know there is other important legislation before the house both in the resolution and bill stages and certainly we in this group would agree to postponing further discussion on the speech from the throne to assist in the speedy passage of some of this emergency legislation.

Earlier this afternoon the Minister of Agriculture said that generally speaking since August 1 our exports of wheat have not been too much below our exports for last year. I have in my hand the report of the board of grain commissioners as at the close of business on Wednesday, October 23 which arrived in my mail today and which contains what I believe are the most up to date figures.

Overseas clearances for wheat to date are 57.9 million bushels as compared with 67.7 million bushels for the same period a year ago. Other grains are also listed. Just a trickle of oats is being exported. Our exports of barley this year have been 5 million bushels as compared with 16 million bushels in the same period a year ago. The grand total of overseas clearances for all grains including wheat, oats, barley, rye and flaxseed from August 1 to October 23 this year is 66 million bushels as compared with 85.6 million bushels in the same period a year ago which indicates a drop of 19.4 million bushels from last year.

I am not disputing the statement made by the Minister of Agriculture because it is also correct. I think you can best compare a fall period to a previous fall period rather than to a winter or spring period and I think the situation as it exists is unsatisfactory. There has been a substantial worsening in our export picture, not as compared with the past spring but as compared with our exports of one year ago.

Mr. Quelch: Mr. Chairman, I would like to ask the minister what is the constitutional situation regarding this bill. Does the wheat board have a prior claim on the grain when it is delivered over a province in its collection of, we will say, hail insurance? At the present time in Alberta, as the minister knows, when a farmer takes out hail insurance and signs a note and delivers the grain the elevator companies have a claim against that grain and the payment is made on the first delivery of the grain after the initial quota has been delivered. Will that claim for hail insurance take precedence over advances?

Mr. Harkness: Mr. Chairman, this matter is dealt with in a later clause and I think the proper time to discuss it would be when we have reached that clause. In answer to the hon. member's question, however, I would just point out that liens of that sort will be paid out of the advances as they are made in exactly the same way as they would be paid out of the initial payment on the initial quota. In other words, the advance is actually part of the money the farmer is going to receive for his initial payment and it will be dealt with in exactly the same way. I am sorry—I should have referred to his initial payment. I did not mean the unit quota to start with; that is out.

Mr. Quelch: I asked the question because I had read clauses 10 and 11 and it did not appear to me that that point was very clear.

Mr. Studer: It has been intimated that the cost to the public of Canada under this system of advances will be somewhere between $2 million and $3 million, mostly made up of interest to the banks, as I understand it. I would like to have from the minister an approximate figure of what interest has been paid by the farmers to the banks under the old interim financing act. It will be recalled that the former government was under severe criticism for providing legislation that was described as catering to the banks, in that the farmers were obligated to pay five per cent interest on their loans. I would ask the minister whether he thinks that the banks are not being catered to if they are to receive through this legislation $2 million or more in interest without accepting any obligations whatsoever in any way, shape or form? Will the minister give a definition as to what legislation he thinks might be catering to the banks?

The other point I should like to suggest is that in the discussions that have taken place at various times, mention has been made of the mess the former government made of things and the problem it left on this government's doorstep with respect to wheat. That is not what was said before June 10. However, I should like to refer

back to around 1935 when about 300 million bushels of wheat were left on the government's doorstep at that time by the Conservative government and the new government in turn did a very fine job in handling it under difficult conditions.

Another point I wish to emphasize is that under the interim financing legislation the loans that the farmers received were unattachable. If this is not an extension or an improvement in regard to the amounts of the loans that the farmers received under the interim financing act I should like to know why these loans are not also unattachable?

Mr. Harkness: The answer to the last question is: these are advances, they are not loans. They are advances on the initial price which the man is going to receive during the crop year, and as such they have to be treated in exactly the same way as the money that he would normally receive if he were able to deliver his grain. That is the reason for it.

The hon. member seems to be very concerned about the position of the banks in regard to this matter. I noticed he interjected in the debate yesterday the word "banks" once or twice. Now, I do not know just what his general idea is on this but the banks are lending the money which will be used for these cash advances. The banks are lending the money to the wheat board at 4¼ per cent. The normal bank rate for ordinary borrowers going in to borrow money from the banks at the present time is 5½ per cent and 6 per cent. Therefore, the banks actually are doing very well by this scheme and by the wheat board in the rate at which they are lending this money.

Mr. Studer: I agree they are doing very well in a different way.

Mr. Blackmore: Mr. Speaker, it is not my purpose to enter into any discussion at the present time. I rise merely to point out that for a number of years the Social Credit members have contended that there should be advances on farm-stored grain. They have also contended that there should be approved farm storage facilities erected on the farms or in areas very nearly contiguous to farms.

While this measure is a step in the right direction, it is our opinion that as we go on applying it and seeing it work we shall find deficiencies in it which we at the present time cannot foresee or recognize. Some of the danger spots that we see as Social Crediters, we will develop as we go forward and come to the appropriate clauses. I would just point out that as far as I and my constituents are concerned we are all in favour of advances on farm-stored grain and we are also in favour of the construction of approved storage facilities on the farms.

As far back as November 17, 1953, I made a speech, which is to be found in *Hansard*, in which this matter is entered into in considerable detail. Again on June 10, 1955, I made a speech in which this matter is developed in considerable detail. We believe that if appropriate measures in respect of finding approved farm storage are taken they will enable us to deal with many problems similar to the one which was raised by the hon. member for Essex East. We see no reason why grains of all kinds, which are more or less indestructible, cannot be stored and kept for use in case of a serious emergency, if we only take precaution to build approved farm storage and pay the farmer what he ought to have for the grain as soon as it is put into that approved farm storage.

Mr. Richardson: I do not want to delay the work of the committee. I come from a constituency in Montreal which certainly has no wheat growers, but I voted in support of the bill last night and I can approve of it for at least two good reasons. One, it has been suggested that it is emergency or relief legislation. Second, whatever will help a large section or segment of the Canadian economy will help other people.

The only reason I rise is to again put it to the minister, in support of the view which was spoken to briefly by the hon. member for Welland, whether this is, as the minister said in his answer it would be, as I understand it, available or needed for two years. If this is emergency or relief legislation, even though there are two groups involved, one, the wheat growers of Canada who themselves are taxpayers and, two, those who are not wheat growers but who are taxpayers, speaking for the taxpayers generally, including the wheat growers, should we, as a matter of general policy, in enacting legislation, whether it is of this character or not, if it is emergency or relief legislation, put it on the statute books as a permanent piece of legislation or, instead, for the foreseeable future which the minister, with the guidance of the members of his own side or representing all other parties in the house who are essentially wheat growers, can foresee as the period during which this emergency or relief measure is required?

Certainly, Mr. Chairman, I would believe that the majority of the people in the constituency of St. Lawrence-St. George, if they studied the problem as it has been put before the house, would say, surely, it is not $100 million or $150 million lent or even advanced to the wheat growers of Canada; it is the

cost to the taxpayer of $2 million or $3 million plus administration costs plus, I would suppose, in the natural circumstances of life, a few loans or advances which will not be met. If that is so then we, as taxpayers generally of the country, are going to have a cost of $2 million or $3 million in one year.

I submit, Mr. Chairman, that the government, in its initial stage in office after some 20 years, should consider very carefully whether emergency or relief legislation should be placed upon the statute books of Canada as a permanent piece of legislation.

Mr. St. Laurent (Quebec East): Mr. Chairman, I have a question to ask the Minister of Agriculture. He told us yesterday that there had been telegrams exchanged with the pools and those who would be the agents of the wheat board in making these advances, and that the telegrams indicated they were quite prepared to co-operate with the government in carrying out the legislation and even to assume up to 10 per cent of individual losses as were not anticipated but as might be experienced up to a maximum of one-quarter of one per cent of the total amounts advanced by the respective organizations.

As I read the bill, there is no provision in it dealing with that matter, and I have considered the bill rather carefully. Is it the intention of the minister to have some provision in line with the statement he made in proposing second reading of the bill yesterday included in this legislation? The legislation will be the only document that will determine the respective rights of those who will be concerned in the matter. I understand there is provision whereby agreements can be made with banks or with others for the administration of the act but is it intended to rely upon the fact that before it becomes operative such matters can be covered by agreements with those who will be acting as agents for the wheat pools?

Mr. Harkness: Mr. Chairman, in answer to the Leader of the Opposition may I point out that section 9, subsection 2, provides that the board may make such arrangements and enter into such contracts or agreements as the board considers necessary or advisable for the administration of this act. It is under this section that the board will have the power to enter into agreements with the elevator companies with regard to what losses may be assumed or anything else along that line. This is in line with the wheat board act under which the wheat board enters into arrangements or agreements with elevator companies for them to act as agents of the board in purchasing grain. Of course, one of the reasons why the 10 per cent and the one-quarter of one per cent are not laid down definitely in the legislation and are covered under the right or power of the board to make arrangements or contracts is that experience might show that these were not proper figures. When the legislation is made use of next year a different agreement from the one which has been entered into tentatively already between the board and the elevator companies might be necessary or desirable.

Mr. St. Laurent (Quebec East): Then it is not intended to have any obligation by virtue of the legislation binding on those who will be acting as agents for the wheat board?

Mr. Harkness: No, that is correct.

Mr. Marler: Does the minister not think that the section to which he has just referred rather suggests the carrying out of arrangements contemplated by this legislation rather than arrangements which seem to me from reading the bill to be entirely foreign to the purpose? The purpose of the legislation is to make advances. I fail to see how section 9, subsection 2, to which the minister referred a moment ago, could be given the rather broader meaning which he seems to be giving to it at this moment.

Mr. Harkness: As I indicated, Mr. Chairman, the agreement or contract which the board will make with the elevator companies is in line with the type of contract they have been making with them for years past to act as agents of the board in buying grain. Of course, the particular form of that contract might, as I said, vary from time to time and from year to year.

Clause 1 agreed to.

Clause 2 agreed to.

On clause 3—*Board may make advance payments.*

Mr. Harkness: I wish to present an amendment to this clause and it will be in these terms:

That clause 3 of the bill be amended and that the following be substituted for subclause 4 of clause 3:

"No person who has received an advance payment under this act in any crop year and who is in default in respect thereof is, until his undertaking in respect thereof has been fully discharged, entitled to receive another advance payment in the same or any subsequent crop year."

The purpose of this change is to make absolutely certain that disentitlement flows from default and not from the failure to deliver grain. The explanatory note prepared by the legal officers of the crown puts the matter this way. The purpose of the amendment is to allow a producer who is not in

default and who, through no fault of his own, has been unable to deliver enough grain to fulfil his undertaking, to obtain a new advance in a subsequent crop year if he has sufficient unpledged and undelivered grain as security. The new section, of course, prevents a person whose undertaking is in default from getting a new advance until the default is remedied.

I think this matter was raised by one or two hon. members during the debate on second reading. They suggested that the possibility might exist that a man who had only been able to deliver 4 bushels of his quota or 5 bushels of his quota instead of 6 bushels and thus had been unable to repay his advance might be precluded from getting a loan in the subsequent year. The purpose of the amendment is to make certain that that situation does not arise.

Mr. Johnson (Kindersley): I was very pleased to hear this amendment—

Mr. Harkness: Excuse me. I should like to have one of my colleagues move the amendment.

Mr. Monteith: I so move.

Mr. Johnson (Kindersley): Mr. Chairman, before the amendment carries I want to commend the government for introducing this amendment because if it had not been moved a very serious defect would have existed in this clause in that the farmer, through no fault of his own, would have been deprived of the benefit of receiving an advance in a subsequent year because of his failure to deliver grain.

I am rising more specifically to deal with this first mention of threshed grain in storage. I should like the minister to correct an erroneous opinion that existed, in the first place I believe, in the weekly Winnipeg *Free Press*. This newspaper stated that the advance would be made only on grain threshed from this year's crop. I think the implication is that a farmer who may have 300 specified acres and who has a considerable backlog of grain, and who decided he would go out of wheat production completely, would not have any grain threshed in this crop year. I should like the minister's assurance that the measure applies to any grain in storage on the farm and not specifically to grain that is threshed in the particular crop year in which the advance is given.

Mr. Harkness: If I might just answer that question now, I would say there is no question at all but that any grain which the farmer has in storage on his farm, whether it is grain from this crop year or three crop years ago, is eligible for the cash advance or can be considered as security for the cash advance. I think that clears up the matter definitely.

Mr. Johnson (Kindersley): I just wanted it cleared up because of the erroneous newspaper report.

Mr. Thomas (Middlesex West): Before we pass on to the next clause, I wonder if the minister would consider qualifying that word "storage". I would suggest that some word should be included to ensure that the storage be reasonably weatherproof. I do not know whether or not it is intended that cash advances should be made on piles of grain lying in the open or in the type of bins which have no roof. Sometimes this type of storage is required temporarily on the prairies. I wonder if the minister would consider qualifying the storage with such words as "reasonably weatherproof".

Mr. Harkness: The matter of putting into effect a system something like that which exists in the United States under which grain is put into what they called approved storage, which is mostly steel bins and then having people come out and inspect this storage, seal the door, and so on, was considered. However, we came to the conclusion it was impractical so far as a scheme of this kind was concerned. It would be extremely costly and slow and would hold up the issuing of the advances. We did away with that, therefore, and as long as the man has grain on his farm, it is the farmer's responsibility to store it. He has undertaken to deliver it, and it is this undertaking to which we hold him.

Mr. Thomas (Middlesex West): May I point out that there might be serious criticism of advances being made on wheat in open piles; that is all I was suggesting. I was not suggesting that the storage be approved, but that it be acceptable farm storage, not necessarily steel bins. The grain could be stored in wooden bins or any bin that would be weatherproof; it is just a suggestion.

Mr. Gardiner: On the question raised a few minutes ago with regard to the effect of the provision which is here and the relating of it to the fact that the 6-bushel quota is a limiting factor in the plan, am I not correct in saying that this does limit the amount upon which a man can get an advance to the six bushels per designated acre? There was no limitation of that kind before, that is a man could secure a loan equal to half the value of his grain; no matter what amount was handled he got up to $3,000.

I would think from reading the bill and from listening to the discussion that there is a further limitation. While no mention is made

of the fact it must be this year's quota, even if it is grain from three years ago which the farmer still has on his farm, he is not able to deliver more than the amount which would be covered by the quota for the year, up to six bushels to the acre. I think that would be correct.

While I am on my feet, I should like to say a word with regard to the suggestion made a few moments ago from the other side of the house. If this were a long-term storage plan, I think what the hon. member said would be absolutely necessary. But those of us who do farm in western Canada know it is quite customary, particularly I think in the area from which the hon. member from Kindersley comes, for farmers to have insufficient storage to take care of all the grain they grow in bumper crop years. It would not be a proper carrying out of their activities if they attempted to do so.

They may have enough storage to take care of grain in an average year which would be the average between the years when they grow very little because of drought and the years when they grow considerable because of good crop conditions. These farmers may have a considerable amount of grain stored out in piles. It is customary now to put these piles in much better shape than they were a few years ago. A man can get ordinary plyboard today and make a wall around the wheat to keep everything away from it. This keeps the grain in much better shape. If the farmer had to put a roof on that he would be put to an expense which would not be reasonable in connection with a measure of this kind. I agree with the minister that that would not be warranted in connection with this legislation. It would limit the number of farmers who would draw assistance from it and I would be inclined to agree with him on that particular point.

Mr. Harkness: The question which the right hon. member has asked, as to whether the effect of this measure is not more limited than the effect of the loan legislation introduced by the previous administration, I think is answered in this way. Theoretically it may be more limited but practically it is just the reverse. Under the loan legislation which his government introduced, during the period for which I gave the exact figures on second reading some $700 was the amount of the average loan, and for the second period the amount was $600. Under this legislation the amount which the farmers will be able to secure, we think, will be considerably in excess of that average.

Mr. Argue: In so far as the question the hon. member for Middlesex West asked as to whether under this legislation there should not be a provision requiring storage of a certain type, I might say I agree with the minister and the hon. member for Melville that that is not at all necessary. This legislation provides for certain advances against deliverable grain. While there may be some grain out under the snow, and some farmers have grain under the snow, I think any farmer who has grain exposed has probably many thousands of bushels in adequate storage. He has some grain under the snow because he has filled all his granaries, filled his barn and probably part of his house. He has run out of money, so he has to dump the rest of the grain out in the open field.

In the United States, of course, they have a system of inspecting the grain on which a loan or an advance can be made. This system has worked out very well. It is entirely different from our system, for one reason because the United States loan or advance is $2 a bushel and the advance here is 50 cents. If you offered the farmers of western Canada the United States system or this system I am sure they would accept the United States system even though the United States system required storage of a certain kind.

The man with grain under the snow, if he could get $2 a bushel for it would be able to put it in very excellent storage. Of course, in the United States system there is provision for the payment of storage if the grain is not accepted by the federal agency within the year in which the loan is made. I think the storage is 16 cents a bushel a year. Hence the two systems are not comparable at all.

I want to express to the minister my pleasure that the amendment that was presented has been moved. As I understand it,—and this was the point I was complaining about last night—this amendment will overcome the complaint I had made, namely that if at a local marketing point at the end of July a quota is available of only four bushels, a farmer who wishes to deliver six bushels and retire his advance and who has not been able to do so through no fault of his own will now be able to go to the elevator agent and get an advance for the next crop year on an additional six-bushel quota. I believe that is the effect of the amendment. If that is true, then it means that this is the first indication by any government that the government is prepared to provide the farmer with some money on the basis of what over the years, I take it, will work out to be a guaranteed delivery of six bushels an acre. At least it is saying that as far as the advance is concerned the farmer each year under this legislation will be able to get 50 cents a bushel provided that he is not in default and so on. If that is the intent of the amendment, I think

the amendment is extremely valuable and that it strengthens this legislation materially. It means—and this is not very much—that a wheat producer will be able to get an advance or an income of not less than $3 an acre per specified acre. It is very little but it is just a little bit more than he has had in recent years as far as a guarantee is concerned.

Mr. Gardiner: Mr. Chairman, the remarks that have just been made by the hon. member for Assiniboia go much further, in my opinion, than there was any necessity for going in discussing this particular section when he says that this legislation provides more than was ever provided before or makes some provision that was never given before. The government, of course, was not directly responsible in the same manner previously as it is now under this measure, to the extent that interest is now being paid by the government rather than by either the wheat board or by farmers in general. But the provision under the old bill was that it did not matter how much wheat the man had or what year he produced the wheat, he could go to the bank and, assuming that he was entitled to get $3,000, all he had to do in order to get that $3,000 was to prove that he had $6,000 worth of wheat on his farm. At that point he was not limited at all by any suggestion that this year's quota had anything to do with it. I can understand that there are some reasons for putting on the limitation that is now on, but nevertheless it is there. The farmer now is assumed to get one-half, as the argument went on second reading. Fifty cents a bushel is not half the price of No. 1 wheat. Fifty cents a bushel is considerably more than half the price of No. 6 wheat. Hence there is just a possibility—depending on what grades of wheat the man has—that 50 cents may be more than half. But let us assume that 50 cents a bushel is one-half, and I assume that what the government was attempting to do when they set this price was to advance approximately one-half.

Mr. Harkness: Yes; to strike an average.

Mr. Gardiner: To strike an average that would be approximately one-half. Our legislation simply said it was one-half of whatever grain a man had on the farm; that the amount of security he had to have was twice as much as the amount of money he could get. In effect it is the same intention. I still maintain that under that form they had then there is not as great a limitation as there is under this legislation because there is a further limitation beyond that based upon the quota which a man had for this year.

There are here in this house members from the west who know that there are many reasons why farmers have grain on their farm. Some kept grain on their farms because the marketing of it, even at the time when they could market it, perhaps brought them more cash than they needed to have for the time being. It had some effect on income tax and other matters. There are some who are in that position. We also know that a farmer who has had one or two crop failures may find himself in quite a different position, and that even although he has a few thousand bushels of wheat sitting on his farm, he is needing cash now perhaps as badly as is the man who went along, delivered during the time and spent the money and so on. He is in difficulties. I say that this limits that man when he comes along now and attempts to market his grain.

I do not need to go into all the different examples one might use. I simply say that the man who came along with any amount of grain in his bins which was valued at over $6,000 could borrow $3,000, regardless of his acreage and the amount that he could deliver under his quota for this year. But now he is going to be limited further to whatever he could have delivered under his quota this year and the prices that are set for that acreage, 50 cents for wheat, 20 cents for oats and 35 cents for barley. I merely state that again because of what has been said by the hon. member for Assiniboia to the effect that previously there really never was as much offered. I think that under certain circustances more was offered.

Mr. Harkness: Mr. Chairman, I think perhaps I had better say that my right hon. friend still talks as though this were a loan on the same basis as the loan system which his government had in effect. Again I must reiterate that it is not a loan, it is an advance. It is part of the initial payment which the farmer would receive during that crop year as he delivered his grain and would be paid to him before he actually delivers his grain. That puts it in a very different position than if it were a loan.

As to the contention put forward by the hon. member for Melville, he himself said two days ago that only time will tell whether his contention is correct or whether mine is correct. I therefore do not think there is any use of our spending any more time on that particular matter. I would also point this out to him. If he thinks that this legislation is not as good as the previous legislation or that it does not provide as much opportunity, we will say, to the farmers to secure cash as did the Prairie Grain Producers Interim Financing Act, I can say to him that that act is still on the statute books and if any farmer wants to take advantage

of that act he is still free to do so. He is not cut out of that act. He has therefore lost nothing as far as that act is concerned. However, he has gained the advantage of this act.

Mr. Gardiner: I am prepared to agree with the minister. As I say, I would not have carried on the argument any further as between the minister and myself. But when an hon. member from another constituency which is not too far away from my own rises in his place and says that the situation is such and such, and that there never was as much offered before, I think it is necessary for me to answer that statement. That is all that I was doing.

The Chairman: Shall clause 3 as amended carry?

Amendment agreed to.

Clause 3 as amended agreed to.

On clause 4—*Contents of application.*

Mr. Quelch: I should like a word of explanation from the minister. Does he anticipate that when a farmer goes to an elevator and signs an application he will then and there receive payment or does he anticipate that the application in some cases will have to be okayed by the head office before payment is made?

Mr. Harkness: I think that is a matter which is up to the elevator companies to some extent. The intention is that it should be paid at the time. I would presume that is the practice which most elevator companies will follow but it may be that some elevator companies would want to refer it to their head office before they paid out any money. I do not know.

Mr. Johnston (Bow River): Would there be any occasion in an instance like that where an elevator agent would have to go down and inspect the grain on the farm to see whether the application could go through?

Mr. Harkness: Mr. Chairman, that again is I think up to the individual elevator company. If they think it is necessary for the grain to be inspected on the farm by their agents, of course that is done at their expense and that is their preference. The intention however is that the money will be in the farmers hands just as quickly as possible and we presume that in most cases it will be paid promptly by the elevator agents.

Mr. Johnston (Bow River): Just on that point, Mr. Chairman there may be individual cases where the farmer may be delayed for quite a considerable time in getting this payment and I would like to know if I am right in thinking that when he makes an application, which is in effect an affidavit he would be responsible for it and should therefore get his money unless, as the minister says, there is some unusual circumstance surrounding the transaction.

Mr. Harkness: I think that is right.

Mr. Gardiner: I just want to raise one point with respect to a remark made by my hon. friend the Minister of Agriculture, on I believe two different occasions, to the effect that the farmer will get the cash from the elevator agent. This is not the method by which it is done in the bill. It says "cash purchase tickets". He does not get cash from the agent, he gets it from whomever is the paymaster.

Mr. Harkness: With respect to what the hon. member for Melville has said as to the meaning of the word "cash" in that form, what he would get is a negotiable instrument for which he could secure cash at any bank and most stores in his area.

Mr. Gardiner: That is the point; he must cash it at the bank.

Mr. Lambert: Mr. Chairman, may I direct a question to the minister as to sub-paragraph (e) of clause 4 (1). It says:

> Whether he has received a previous advance payment, and, if so, particulars thereof and the amount of undelivered grain in respect of which the previous advance payment was made;

Does that mean in the particular crop year or does that apply also to advances made in previous crops years? I do not think it is quite clear.

Mr. Harkness: Mr. Chairman, it might be either. This clause is intended to provide particularly for the case of a man who, we will say, was entitled to an advance of $2,000. He might think he would only need $1,000, so he goes and gets an advance of $1,000; then sometime later in the season he decides he needs the other $1,000, so he then applies for it. It is to make sure that he will be in a position to do so that this provision is made.

Mr. Lambert: With respect, Mr. Chairman, I think there should be some clarification there as to whether it is in a particular crop year or in a previous year.

Mr. Harkness: It could be either and it is also to take care of an instance such as I have mentioned where there is a carryover from one crop year to the next. In other words at the end of the crop year a man may only have been able to deliver four bushels of his quota and had therefore not been able to discharge all of his advance.

He will then be in a position to go ahead and get the advance during the next crop year in spite of the fact that this had not been discharged.

Mr. Lambert: In other words it is perfectly clear that he must not make any declaration as to any previous fully liquidated advances. This says:

Whether he has received a previous advance payment, and if so, particulars thereof and the amount of undelivered grain in respect of which the previous advance payment was made.

I say on the strength of the minister's explanation it is quite clear that he has to furnish no particulars as to previous liquidated advances.

Mr. Harkness: No, Mr. Chairman, the reverse is the case. He is entitled to $3,000 in the form of cash advances in any particular crop year and therefore we have to have the information in his permit book as to what cash advances he may have received in the crop year prior to the time when he makes his application, no matter whether it is liquidated or not.

Mr. Lambert: In that crop year?

Mr. Harkness: In that crop year, yes.

Mr. Lambert: Not previous years.

Mr. Studer: It is assumed that if an individual makes an application to an elevator agent and is refused, it does not preclude him from interviewing and shopping around until he finds an elevator agent who would be agreeable.

Mr. Harkness: Yes, Mr. Chairman, that is absolutely correct. He can go to as many elevator agents as he likes.

Mr. Argue: On that point Mr. Chairman it has to be the same marketing point.

Mr. Harkness: It is the delivery point, yes.

Mr. Argue: Where he made his delivery.

Clause 4 agreed to.

On clause 5—*Undertaking by the producer.*

Mr. Thomas (Middlesex West): Mr. Chairman, sub-paragraph (b) says:

(b) upon default, he will repay to the board the amount in default, without interest prior to default but with interest at 6 per cent per annum after default.

Now there may arise a case—I admit it is possibly a far-fetched idea—where a man would die or cease farming operations and the default might run along indefinitely. Has consideration been given to making provision whereby default long overdue can be charged against the title of the land in the form of a caveat.

[Mr. Harkness.]

Mr. Harkness: Mr. Chairman, consideration was given to that point, but in view of the differences between the provincial laws in the three prairie provinces and the different types of security which are already secured or are registered against the land and so forth, it was not considered that this would be a practical proposition.

Mr. Olson: Mr. Chairman, I would like to refer the minister to the subparagraph (a) which reads as follows:

(a) he will, after completing delivery under the unit quota and as soon as other quotas or other permission given by the board enable him to do so,—

I would like to ask the minister this question: What other permission given by the board enabling him to do so did he have in mind at the time he drafted that particular portion of the bill?

Mr. Harkness: Mr. Chairman, as an example of the others that are mentioned, there would be the special quotas or permission in regard to malting barley and there may be other circumstances of the same kind.

Clause 5 agreed to.

On clause 6—*Joint producers.*

Mr. Harkness: On clause 6 Mr. Chairman, I have certain amendments which I would ask my colleague, the Minister of National Defence, to move. Clause 6 will be amended by making the present clause 6 "Clause 6, subsection (1)" and adding the following new subsections:

(2) An application by two or more producers may specify the shares of the advance payment to be paid to each.

(3) Where an application by two or more joint producers specifies the share of the advance payment to be paid to each such producer, and subsequently the undertaking is in default, a joint producer who pays to the board an amount that is in the same proportion to the amount in default as his share of the advance payment is to the total advance payment, together with interest thereon at the rate of 6 per cent per annum after default, is, notwithstanding anything in this act, relieved of his obligation to make any further payment to the board in respect of the default.

I might say in explanation of that that the purpose of the amendment is to relieve a joint producer from his obligation on default to pay more than his proportionate share of the balance of the money due.

The landlord is entitled to one-third of the crop and therefore he is entitled to one-third of the advance. You may have the sort of situation where, we will say, an advance of $1,500 is given of which the landlord receives $500. The tenant might then by some dishonest means dispose of the 3,000 bushels of grain against which that advance has been made. It would be impossible for

him to deliver and the tenant after dishonestly disposing of the grain might depart from the country.

Under the provision as it existed it could have been possible that the landlord in such a case would have become liable for the whole $1,500 advance which had been made which of course would not have been fair and equitable. Therefore this amendment has been introduced to ensure that in the case of a joint producer of that sort, whether he be a landlord or any one else, he will not be liable for the repayment of more than the amount he receives initially in the event default does take place. I might say further that if this amendment had not been put in it might well have been that a considerable number of landlords would not have been prepared to sign applications and tenants would thus have been precluded from securing these cash advances. To ensure to the extent that we can that all tenants would be able to secure these cash advances we are moving this amendment.

Mr. Gardiner: Mr. Chairman, I must say that from my first reading of this clause I thought it much broader than the minister explains is the case and in reading it carefully now I think probably I was interpreting it in a broader way.

Mr. Harkness: I did the same thing to begin with and that is why I had to introduce the amendment.

Mr. Gardiner: Clause 6 reads:

> Where two or more producers are entitled to deliver grain under one permit book—

I was interpreting it much more broadly than that. What would be the position of co-operatives where probably more than one farmer has a permit book but all the members have common interests? Then too, there is the question of how it would affect a partnership. Is each person in a co-operative in a position to receive an advance up to $3,000 or will there be just one advance of $3,000 to be distributed among a number of members? I would think that this clause does not go so far as to deal with co-operatives, partnerships or arrangements of that kind and if it does not is there any clause in the bill which does meet the situation? On the other hand, is there any necessity for it; is there legislation elsewhere that provides for these groups?

Mr. Harkness: Mr. Chairman, the person entitled to receive the advance of $3,000 is the producer or producers named in the permit book. The maximum advance is $3,000 as far as any one permit book is concerned.

Mr. Gardiner: I presume there is provision in the wheat board act for how co-operatives and partnerships are to be dealt with. We have quite a number of these arrangements in the west. I recall we had to make some special provision for them under some legislation and I was just wondering whether they are covered by this bill.

Mr. Harkness: The officials tell me that while there are co-operatives most of them are corporations and the question is handled from that point of view.

Mr. Gardiner: And are they entitled to more than one permit book?

Mr. Harkness: In most cases just one, I think.

Mr. Nicholson: Mr. Chairman, I do not think the Minister of Agriculture grasped the full significance of the question raised by the hon. member for Melville. The situation is that if there were ten families belonging to a co-operative they would be limited to $300 per family under the proposed legislation. Until this crisis developed that situation was not too serious because the co-operative farmer or the farmer who was a member of a partnership expected to be able to deliver all the grain eventually and they were entitled to just one permit book, but with the existing situation where we have a large volume of grain piled up in some areas to limit co-operative farmers—and there may be as many as ten families dependent on one book—to $300 each is simply forcing these people out of business.

The same thing applies to partnerships. There have been a number of cases where two, three, or four farm families have formed a partnership in order to survive the result of the situation caused by the high cost of machinery. They are now placed in an impossible position if there is to be just one permit book for a partnership. For example, I have in mind a three-family partnership that has a large volume of grain on hand and only one permit book. Could the minister state what consideration has been given to making the advances on a family basis rather than on the permit book basis?

Mr. Harkness: This whole scheme is tied in with the permit book system and we think it is only practical and workable because of this tie-in. In effect the permit book system constitutes the only security that exists for repayment of these advances and therefore any changes that might be made in order to take care of co-operatives and partnerships which hon. members have mentioned would have to be made as a result of a change in the general existing permit book system and whether this

could be done or whether we would consider it practical to do so, I just do not know.

Mr. Nicholson: I wonder if the minister is able to say whether it will be possible under the regulations to review this problem. It is obvious that this was not a problem at the time the permit book system was first introduced but it is a problem right now. I would think that as long as the grain was there as security it should be possible for each of the ten families in a co-operative to receive the maximum amount. If they are limited to a total of $3,000 they will not be able to survive and will be forced off the farms.

Mr. Harkness: All I can say is that if the co-operative or partnership—or whatever the hon. member had in mind might be—is entitled to one permit book under the present wheat board act and the existing permit book system it will still be entitled to it and also to the $3,000 cash advance. In the same way, whether or not there are ten families involved they are entitled only to the unit quota of 300 bushels of wheat and so on. This is a matter to which we will be glad to give further consideration but I cannot say anything further on it than I have already said.

At the moment it is essential for this scheme to be tied to the permit book system. Any defects in the permit book system which create an inequity, we will say, so far as deliveries which the member involved can make are, of course, just as apparent in this advance legislation as they are under what you might call normal delivery regulations.

Mr. Olson: Mr. Chairman, let us get back to section 6; let us for a moment examine just exactly what a joint permit holder is and some of the practical reasons why permits have been taken out jointly. There are some good and simple reasons why permit books are applied for jointly. One is that the income tax department, I am told, uses Canadian wheat board records in the initial stages and also for subsequent payments in determining or assessing a farmer's tax. The other reason, of course, is that it facilitates distribution of subsequent wheat board payments. That is the reason why many permit books are taken out jointly. I can see that this clause would possibly be workable in the case of individuals, landlord and tenant, and so on. But we must remember that many joint permit books are taken out in the name of an individual farmer and a provincial government or a municipal government. In Alberta they are taken out jointly with special areas, and so on.

[Mr. Harkness.]

The clause reads:

> Where two or more producers are entitled to deliver grain under one permit book, no advance payment shall be made unless all such producers named in the permit book jointly make the application and execute the undertaking—

I know that some of these municipal governments are hard pressed for money but I do not think they would be willing to undertake a joint application with an individual farmer for these advances.

When the permit books are taken out the elevator agent usually asks you this question: "Is there anyone else interested in the grain or crop that is growing on the land that is specified in the permit book?" And when you tell him that there is someone else such as the department of lands and forests, special areas, or some other individual, then it becomes a joint permit book; but in practice, when you go to sell grain with this permit book there is no specific share designated and any one party can sell anywhere from one per cent to 100 per cent of the grain. Certainly, it would appear to me that if we leave this section in the bill then, unless those governments and other parties I have mentioned are willing to undertake to execute the application jointly the tenants are certainly going to be precluded.

In looking it over and being familiar with the practical application of what happens when there is a joint permit book, I would like to recommend to the minister that until and unless some changes are made in applying for a permit book so that in that permit book there are definite shares designated when you take it out he should delete this clause altogether.

Mr. Harkness: Mr. Chairman, we cannot delete the clause altogether because this system would not work. In regard to the difficulties which are envisaged by the hon. member, I would say to him that anyone who has an interest in the delivery of the grain, or in the proceeds from the grain which has been grown on that farm, becomes a joint signer of the application and is classed with the producer and therefore his claims are protected in that way. If he does not want to take any advance all he has to do is sign the agreement with the tenant, we will say, on the farm getting the advance. He does not have to take any advance himself if he does not want to and then he would have no liability for repayment if a default took place.

The way the system will work is that the cheques will be made out jointly, if it is requested in the application that that be done; or it may be requested in the application and specified that the cheques will be

made out individually, we will say, two-thirds to the tenant and one-third to the landlord if the landlord has a one-third interest in the grain grown and the tenant two-thirds. Therefore, I think the difficulties which were envisaged by the hon. member were all looked after either in the legislation itself or they will be in the regulations which will be drawn up as provided for in this legislation.

Mr. Olson: I can see that in the repayment the share is designated; but it seems to me that if we leave this in here and if there are some landlords who are either unwilling, or unavailable to the elevator agent, to sign the application the tenant will not be able to take advantage of this unless he can obtain his signature in the first instance when applying for the advance.

Mr. Harkness: It is quite true, Mr. Chairman, that if the landlord refuses to sign the application the tenant will not be able to secure cash advances; but it is essential that the landlord, or whoever else has an interest and right to secure a share of the grain produced on that land, sign the application otherwise the scheme would fall through.

Mr. Lambert: I should like to make one point on this because for some years past I have represented unpaid vendors, people who have retired off the land and sold their land on a crop-share basis. There have been far too many occasions where those people have been left completely at the mercy of the purchaser as to whether payment was made or not. The excuse was always that the grain was not marketed. I feel that here is an opportunity for those people. I can assure hon. members that the cases of hardship in that instance are almost as difficult as those who bought land or who are tenants on the land. Many of those people are old and sick and they now have an opportunity to get some of the money to which they are entitled. I feel that this is a method by which they can get protection—they have notice—when the advance payments are made; otherwise they might not, because hon. members will see in other sections of the bill provision is made for liens on the grain and one thing and another. The grain is completely dissipated and they must wait another year. Therefore, Mr. Chairman, I would suggest that the wording of the clause remain as it is.

Mr. Johnston (Bow River): May I say a word on that? From what the minister said a moment ago it seems to me that there may be considerable difficulty as a result of this clause. The minister indicated a moment ago that if there were a landlord and a tenant the landlord might be entitled to one-third and the tenant to two-thirds of the cash advances. But in the case where the landlord refused to sign the permit book, no matter how urgent the need was for the tenant to get his share of the cash advance, he would be prevented from getting it. It would seem to me it would be rather easy to have an amendment to this section as to permit the tenant to get at least his two-thirds of the cash advance whether or not the landlord wished to take advantage of his one-third; otherwise you could get a landlord who might say to his tenant, "Well I do not need this money; I am just not going to sign away my right."

I can understand quite well that this may happen. If the landlord happens to be ornery, let us say, the tenant is put in such a position that he would not get any relief under this legislation no matter how greatly he needed it. I would think that the minister should have another look at this. Possibly he could let the clause stand until tomorrow and see if it cannot be amended in such a way as to relieve this difficulty. If it has to go through this way then it will have to but if this situation can be relieved in any way I think that every effort should be made to amend the clause in order to avoid this predicament.

Mr. Harkness: Mr. Chairman, I think the hon. member for Bow River is labouring under fears which are not justified. There is no advantage to the landlord in refusing to sign the application and there are considerable advantages to him in signing it. By signing the application he loses absolutely nothing and cannot lose anything. On the other hand, he gets his share of the crop and really his only interest in the land is to get his share of the crop. He gets paid for part of his share of the crop immediately instead of having to wait several months for payment. That immediately reduces his risk and it gives him money in hand which he can use for other purposes. It is all to his advantage to sign the application. Now that this amendment has been introduced so that there is no chance of him having any liability for any money except the money he actually receives I do not see any reason why he would not sign. Why should he refuse to sign? Self-interest and everything else, particularly his interest in keeping on good terms with his tenant, would all lead him to sign. I do not think the hon. member needs to be afraid on this point at all.

Mr. Johnston (Bow River): It might be that no trouble would arise but I think there would be instances where the landlord just would

not sign and under those circumstances I cannot see why it would do any harm at all to include a clause that would protect the tenant. As the minister says, it would appear that everything would be in the interest of the landlord to sign but there are landlords who just do not want to sign these things no matter whether it seems to be to their advantage to do so. In that case the tenant would be penalized and I do not think that should be allowed.

Mr. Harkness: The simple answer as to why it cannot be done is that if you tried to do it in that way and give the tenant an advance on the two-thirds of the grain which he is entitled to deliver and to get the initial price for, you would have to segregate the grain. In other words, you would have to go back into the business of sending somebody out to the farm to see that the grain was segregated on the farm and take only security on the two-thirds share which belonged to the tenant and leave out the one-third share which belonged to the landlord. It would make the thing impractical and, as I pointed out before, I cannot see any reason in the world why the landlord would refuse to sign. The advantage is all to him if he does sign.

Mr. Jones: Could the minister tell us what would be the effect on an application under this section if a producer happened to die after the permit book was issued and before the advance was made?

Mr. Harkness: The legal adviser tells me that the executor of his estate would then sign the application.

Mr. Jones: I expect, of course, that that would be the case after the executor or administrator of the estate is appointed, but quite frequently there is an interregnum due to many causes. Could some provision be made either here or in the issuing of permits to cover that situation?

Mr. Harkness: Well, the length of the interregnum would probably not be long in most cases and if there was a real emergency to secure cash he could always act under the Bank Act.

Mr. Olson: Mr. Chairman, the tenant has an interest in the grain and I certainly cannot go along with the idea, if we are going to make cash advances available to people who have an interest in grain stored on farms, that the tenant, in order to obtain an advance must be dependent on whether or not his landlord will permit him to do so or will sign his application with him. Inasmuch as the tenant has the grain he should be able to go individually and get his advance. If this clause is going to be left in the legislation, then I think the minister should give serious consideration to making some changes in the application for a permit book so that it will clearly designate the shares of the tenant and the landlord in the grain because then the amount of the advance could be determined in accordance with the shares so designated.

Amendment agreed to.

Clause 6 as amended agreed to.

On clause 7—*Amount of advance payment.*

Mr. Harkness: Mr. Chairman, there is an amendment to clause 7 consequent upon the amendment made to clause 3. It is simply a matter of clarification. I would ask my colleague, the Minister of National Health and Welfare, to move it for me.

Mr. Monteith: I move:

That subclause 1 of clause 7 be amended by deleting therefrom, in line 14, the words "in the same crop year", and adding thereto in line 12 after the word "applicant" the words "has in storage otherwise than in an elevator and".

Mr. Marler: May I ask what is the purpose of the amendment?

Mr. Harkness: It is simply to bring this clause into conformity with clause 3 as amended.

Mr. Marler: In other words, to contemplate advances in more than one crop year.

Mr. Harkness: That is the first point in connection with it and that is why we are taking out "in the same crop year".

Mr. Marler: What are the words that are added? I am afraid I could not hear the chairman.

Mr. Harkness: The words are: "has in storage otherwise than in an elevator and". Those words come in immediately after the word "applicant". The subsection would then read:

Subject to this section, the amount of an advance payment to a producer in respect of the grain deliverable under the permit book specified in the application shall be the quantity of threshed grain (irrespective of its grade and excluding grain deliverable under a unit quota) that the applicant has in storage otherwise than in an elevator and undertakes to deliver to the board, less any undelivered grain in respect of which a previous advance payment was made, multiplied by . . .

Mr. Marler: I understand.

Amendment agreed to.

Clause 7 as amended agreed to.

Clauses 8 and 9 agreed to.

On clause 10—*Lien on grain.*

Mr. Stefura: This clause reads:

> Where the board has made an advance payment to a producer, the board has a lien for the amount thereof on the grain in respect of which the advance payment was made.

A question arises here as to whether the lien will be on all the grain the farmer has in storage or whether it will be just on the six bushels per acre quota. The minister has mentioned that the hail lien will take precedence over this lien and I was wondering whether or not some of these provincial liens, municipal tax liens and other provincial liens would take precedence over this lien for the advance. What will actually happen is that the farmer will get these cash advances and he will just pay off his liens. He will not have any more cash than he had when he started.

Not only will that be the case, but if the lien covers all the grain held on the farm he will not be able to sell grain or obtain a further loan from a bank. Let us say a farmer has a ten bushel to the acre crop. He will not be able to get a loan on the amount over the 6-bushel quota. I think that word "grain" should be qualified to mean the amount of grain this lien actually covers.

Mr. Harkness: It covers the grain on which the advance is made. In other words, if a man has secured an advance of $3,000 on a security of 6,000 bushels of grain, that is what is covered and that is the grain on which the lien exists.

Mr. Gardiner: Supposing a man has 10,000 bushels and he is able to get an advance on only 6,000 bushels. There has never been any separation made of the grain and perhaps he has the 10,000 bushels in one pile or in one bin. Unless there has been a separation of the grain, is the lien on the whole 10,000 bushels or is it only on some portion of it that is not designated?

Mr. Harkness: It is on the 6,000 bushels. From a practical point of view, this is the situation. If he had 10,000 bushels, he would be at liberty to take 4,000 bushels out and feed it or sell it or do anything else with it. But if he takes out some of the 6,000 bushels, in other words, if he gets down below the 6,000 bushels then he becomes liable for the penalties mentioned here because he has been selling some of the grain on which he has obtained an advance.

Mr. Gardiner: Assuming he needs an advance on the other 4,000 bushels, is the whole 10,000 bushels tied up in such a way that he cannot go to the bank and get an advance on the other 4,000?

Mr. Harkness: No, he would be at liberty to segregate the grain himself if he wanted to. So far as the wheat board is concerned, if he has taken an advance on 6,000 bushels of grain, in other words taken an advance of $3,000, the board has a lien on 6,000 bushels of grain. If he sells some of that 6,000 bushels or otherwise disposes of it he puts himself in default and is liable for the penalties provided. If he has 10,000 bushels, he can do anything he likes with the other 4,000 bushels over and above the 6,000 on which the advance has been made and which are security for that advance.

Mr. Gardiner: I am not worrying about either the wheat board or the banks, for that matter, or any other person, but here is a man who owns 130,000 bushels of grain which is in one pile on the prairie. I know many who may have 20,000 bushels in that way, and if a man is not able to deliver his wheat, if he is in difficulties, and he can be —it is all very well for some of my friends to say that he is not in much trouble if he has that much wheat; sometimes a man who is in that position is in more trouble than the person to whom he owes money—if he does get an advance, whether he has 12,000 bushels or 14,000 bushels, then he is not able to go to the bank and borrow against that amount which is over and above the amount covered by the lien. He is not able to borrow until he has cleared up the whole situation with the wheat board.

Mr. Harkness: No, Mr. Chairman, anyone who has 20,000 or 30,000 bushels of wheat will never get into any trouble under this measure. He will always have the 6,000 bushels which acts as security for the $3,000 he has had as an advance. What he does with the remainder of it is his own business.

Mr. Gardiner: But after he has cleared up his business with you? You go to the bank with that lien and see how much money you will get.

Mr. Harkness: We have made an advance on the 6,000 bushels, and what he does with the rest is his business. If he can get a loan from a bank or from anywhere else, it is all right; it is his business.

Mr. Stefura: Does this lien take priority over the liens for municipal taxes or some of the other liens we have in the province of Alberta?

Mr. Harkness: Mr. Chairman, we believe that we have got around all the difficulties in connection with liens, such as thresher liens, hail insurance liens, municipal tax liens and so forth, by providing when the advance is issued that it will be dealt with

in exactly the same way as if the farmer had delivered the grain and received his initial payment on it.

As hon. members know, out in our country each elevator agent has a list of the farmers' names, and under each name he has a notation of the liens which are against that man. If there is a municipal tax lien of $200 and the farmer comes in with a big load of wheat, for which he is to receive $400, the elevator agent gives him $200 in cash and the other $200 he pays to the municipal district to cover the taxes. Exactly the same thing will happen in so far as these advances are concerned. When a farmer comes in to obtain a cash advance, the elevator agent looks at his list just the same as he would if the farmer were delivering wheat. Then the agent pays him off accordingly and the persons who had liens are thereby looked after. When it comes to the actual delivery of the grain, these lien holders have no claim against that particular grain on which the advance was made because they have already been paid.

Mr. Stefura: I am not quite clear on this. For example, in the municipality from which I come a farmer must pay his taxes by the end of November. Suppose he has already obtained a cash advance and at the end of November he does not pay his taxes. The municipality sends out the sheriff to seize the grain. Now, which lien has priority, this lien or the municipal tax lien?

Mr. Harkness: If the wheat board lien were taken out first, which would be the case, it would have priority over the subsequent lien.

Mr. Stefura: I understand that in the province of Alberta the municipal tax liens come before any other liens.

Mr. Harkness: Actually, in the province of Alberta they do not, they come after threshers' and several others.

Mr. Gardiner: I am afraid the minister is treating this legislation in the way one would treat any piece of legislation that simply deals with selling something upon which there is a lien. However, that is not the purpose of this legislation. The purpose of this legislation is to make cash available to the farmer. These liens which are filed with the elevator agents, in most cases, represent more than the farmer would receive from these advances. A lot has been said about the average amount of the loans that were obtained under the interim financing act. They averaged around $600, $700 or $800, but the farmer will not obtain any more under this measure. The other day the minister put figures on *Hansard* to indicate that most of the farms are small farms, and the average farmer will not be able to get more than that amount under this legislation.

He goes to the elevator and the first thing that is taken out is an amount for his taxes. In many cases that can be $400 or $500. Then if there are some other liens in addition they are taken out and he is sent home without any money at all. That is not the objective of this legislation. The objective of it is not to pay the accounts that the man could pay if he had marketed his crop, the object of the legislation is to put some cash in his hands so that he can carry on until such time as he can deliver his grain and get cash, and that means going to the merchants in the village with whom he deals and paying cash for what he buys. He cannot pay cash if he has paid it all out in taxes which were overdue and so on. I suggest this provision limits the benefits far more than I had hoped it would.

Mr. Johnston (Bow River): When I was speaking the other day I made reference to the unfair position in which the farmer was going to find himself. I had special reference to section 18 of the act. However, I see now that it also applies to this section 10, as has just been pointed out by the former minister of agriculture, the hon. member for Melville. I pointed out the same difficulty yesterday when I was speaking, namely that this legislation was primarily intended to give assistance to the farmer to pay those bills which are most urgent, such as a grocery bill or a doctor bill, to buy clothes for the kiddies and so on. This legislation is not going to give him that advantage. Not only are the liens or taxes to have priority but the government itself has priority if the farmer has borrowed under the Prairie Grain Producers Interim Financing Act.

If you take out all these obligations that have been piling up on the farmer back over all these years,—if he has any arrears of taxes; if he has borrowed money under the Prairie Grain Producers' Interim Financing Act and if he owes other obligations which have liens attached to them—then the farmer is not going to get anything at all out of this advance.

As the minister pointed out to us the other day,—and I referred to the matter yesterday, —about two-thirds of the farmers of the western prairies have about 300 acres or less which will qualify for this advance. That means that they are not going to get more than about $900 at the most. When you take out the obligations where he has given security by liens, the farmer is just not going to have anything to take home with which

to pay the groceryman or the butcher or to buy much needed clothes for his family for this winter.

Surely that was not the intention of the act. When the minister was speaking the other day on this bill he went on at some great length to point out how urgently this money was needed by the farmers at this time because they could not pay their bills, and he said this legislation is going to be of great help to them. Now the minister says that the farmer is just being placed in the same position as that in which he would be placed if he were getting his initial payment. That is not true at all. If he were getting his initial payment, he would be getting $1.40 and he would have some money to do something with. But here he is going to get only 50 cents. There is a great deal of difference between 50 cents and $1.40.

If the government really intended that this legislation was to be of some assistance to these farmers who now find themselves in need of some cash, surely they should give the farmers some consideration in this regard and these liens should not have priority over this cash advance. I am not suggesting for a moment that the farmer should get out from under his obligations. However, I am suggesting most emphatically that he should have an opportunity to provide for his family first. I want to make that point clear. This is an emergency. It is something that has arisen. The farmer is just desperate. Surely we are not going to allow this so-called emergent measure to deprive the farmer of the opportunity of buying those necessities for his family and of paying the proprietor of the small grocery store or the small butcher shop or those others who have been financing him over this period. If something is not done we are going to find that many of the farmers will be disappointed in this legislation.

Mr. Harkness: The logical end of the sort of argument we have just been hearing would be that there is no advantage at all to the farmer in being able to deliver his crop because he owes debts and as he delivers his crop in the normal course of events the debts that he owes are subtracted from his deliveries by the elevator agent. That is the logical end of this argument, namely that if he has debts there is no advantage to the farmer in delivering his crop, that he might just as well not deliver it. This argument really is that there is no advantage in his delivering half his crop, because essentially that is what he is doing, or at least he is getting paid, we will say, on the basis of delivering half or as though he had delivered half his crop. The advance payment, in the average case, will amount to approximately one-half of what he would have got if he had been able to deliver the whole six-bushel quota which we expect is the amount the farmers will be able to deliver this year.

The hon. member's argument simply amounts to a statement that if the farmer has debts there is no advantage to him in delivering grain. I just cannot see why anyone should carry on an argument of that kind. Inevitably where it leads you is to the conclusion that if the farmer has debts he should be given an advance whether he has debts or not and that his debtors should be just forgotten about. I do not think you can do that, particularly when the debtors are probably the people who threshed for him, the people who gave him hail insurance, the municipal district to which he pays taxes and so on.

Mr. Gardiner: Six o'clock.

Clause stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask what is to be the business for tomorrow?

Mr. Green: Tomorrow we shall continue with this bill. Then we shall take the resolutions standing in the name of the Minister of National Health and Welfare, then the resolutions standing in the name of the Minister of Veterans Affairs and then the throne speech debate.

At six o'clock the house adjourned, without question, pursuant to standing 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:

UNEMPLOYMENT INSURANCE—METHOD OF COMPUTING CONTRIBUTIONS

Question No. 12—**Mr. Martin (Essex East):**

1. Has the government received representations from the Canadian U.A.W. council requesting that a revision be made in the method of computing weekly contributions to ascertain an unemployed worker's benefits?

2. If so, what action has been taken by the government to implement this proposal to increase unemployment insurance benefits?

Answer by: **Hon. Michael Starr (Minister of Labour):**

1. Yes.

2. These representations are being considered along with a number of others which have been received in connection with the Unemployment Insurance Act.

WAGE-PRICE PROFIT RELATIONSHIPS

Question No. 13—**Mr. Martin (Essex East):**

1. Has the government received representations from the United Automobile Workers to launch an immediate investigation into the wage-price profit relationships in the auto, steel, meat-packing, brewery and other basic industries?

2. If so, have steps been taken to make such an investigation?

Answer by: **Hon. Michael Starr (Minister of Labour):**

1 and 2. No.

COURT INJUNCTIONS IN LABOUR DISPUTES

Question No. 14—**Mr. Martin (Essex East):**

1. Has the government received representations from the United Automobile Workers or any other body to outlaw the use of court injunctions in labour disputes?

2. If so, have steps been taken to outlaw such court injunctions?

Answer by: **Hon. Michael Starr (Minister of Labour):**

1. These representations were included in the annual brief recently submitted by the Canadian Labour Congress.

2. The government has the recommendations of the Canadian Labour Congress under consideration.

SHEEK ISLAND, ST. LAWRENCE RIVER

Question No. 20—**Mr. Chevrier:**

1. How many acres of land are there on Sheek island in the river St. Lawrence?

2. How many acres did Hydro-Electric Power Commission of Ontario expropriate?

3. How much compensation was paid by Hydro-Electric Power Commission of Ontario to the department of Indian affairs?

Answer by: **Hon. E. D. Fulton (Acting Minister of Citizenship and Immigration):**

1. 944.

2. The commission took all of the island subject to an agreement that any area remaining above water would revert for the use and benefit of the St. Regis band of Indians.

3. An amount of $120,000 was received and credited to the band funds of the St. Regis Indians. In addition, the commission was required to compensate non-Indian lessees and to pay for any other expenses incurred in obtaining vacant possession of the island.

NATIONAL DEFENCE—FIVE-DAY 40-HOUR WEEK

Question No. 68—**Mr. Henderson:**

Have steps been taken to award a five-day 40-hour week to cooks, kitchen helpers and food service attendants in defence establishments?

Answer by: **Hon. G. R. Pearkes (Minister of National Defence):**

Approval has been given for the reduction of the standard work week from 48 hours to 44 hours, effective October 1, 1957, for cooks, kitchen helpers and food service attendants employed by the Department of National Defence.

Since the working conditions for these classifications now compare favourably with those for similar categories of employees in civilian establishments, no further reduction in working hours is contemplated at the present time.

APPENDIX

CORRESPONDENCE WITH PREMIERS OF PROVINCES

(Similar letter sent to the premiers of all the provinces. The letter to the Premier of Quebec was in the French language)

Office of the Prime Minister
Canada

Ottawa, September 16, 1957.

Honourable L. M. Frost,
Prime Minister of Ontario,
Parliament Buildings,
Toronto 2, Ontario.

My dear Prime Minister,

My colleagues and I believe that it would be useful and desirable to arrange a dominion-provincial conference to review the present pattern of tax sharing arrangements. As you know, there has been a good deal of public discussion of these questions in recent months, and during the recent election campaign I undertook to call such a conference at the earliest feasible date.

In reviewing our time-table commitments it appears to us that the earliest convenient date would be some time toward the end of November. I expect that parliament will still be in session at that time—and no doubt some of the provincial legislatures also, but I am confident that we can count on the necessary parliamentary co-operation in adapting the order of business to make such a meeting possible.

I therefore propose that a dominion-provincial conference on fiscal relations be held at Ottawa on Monday and Tuesday, November 25 and 26. I hope you will find these dates agreeable, and I shall be glad to hear from you in this connection at your early convenience.

I am sending a similar letter to each provincial premier, and as soon as I have the replies we shall proceed to confirm the dates and make the necessary arrangements.

I am,

Yours sincerely,
John G. Diefenbaker

ALBERTA

OFFICE OF THE PREMIER

Edmonton, September 18th, 1957.

Right Honourable J. Diefenbaker,
Prime Minister of Canada,
Parliament Buildings, Ottawa, Ontario.

My dear Prime Minister:

I wish to acknowledge receipt of your letter of September 16th regarding your decision to arrange a dominion-provincial conference to review the present pattern of tax sharing arrangements.

I was very pleased to receive your letter and I believe it is desirable that a meeting such as you propose be held as soon as possible. I have noted the proposed dates Monday and Tuesday, November 25 and 26, and wish to advise you that these dates will be quite agreeable to me. Thank you again for your advice in respect to the meeting and I shall look forward to further word confirming the dates.

Yours very truly,
Ernest C. Manning
Premier.

Nova Scotia

THE PREMIER
Halifax

September 19, 1957

Dear Mr. Prime Minister:

In the absence of Premier Stanfield I wish to acknowledge receipt of your letter of September 16th suggesting the dates of November 25th and 26th for a dominion-provincial conference on fiscal relations.

I feel sure these dates will be agreeable to the premier, but I shall bring your letter to his attention upon his return to the office, and you will be receiving definite confirmation from him.

Yours sincerely,
Innis G. MacLeod
Administrative Assistant

The Right Honourable John G. Diefenbaker, P.C., M.P.
Prime Minister of Canada
Ottawa, Canada

The Government of the Province of New Brunswick.

THE PREMIER
Fredericton

September 19th, 1957

Right Honourable John Diefenbaker
Prime Minister of Canada
Ottawa, Canada

My dear Prime Minister:

I acknowledge your letter of September 16th and note your proposal to convene a

dominion-provincial conference on fiscal relations, in Ottawa, on Monday and Tuesday, November 25th and 26th next.

These dates will be entirely convenient to our government, and I shall be glad to have further information in regard to agenda and procedure in due course. Should it be considered necessary, our officials can go to Ottawa at any time.

May I congratulate you upon the prompt measures which you are taking in regard to this supremely important matter.

Yours sincerely,
Hugh John Flemming

Nova Scotia

THE PREMIER
Halifax

September 21, 1957

Dear Mr. Prime Minister:

This will acknowledge your letter of September 16th proposing a dominion-provincial conference on fiscal relations at Ottawa on Monday and Tuesday, November 25th and 26th.

These dates will be convenient to us in Nova Scotia and we will welcome that opportunity to confer with the government of Canada and the other provinces on fiscal relations.

Yours sincerely,
R. L. Stanfield

The Right Honourable John G. Diefenbaker, P.C., M.P. Prime Minister of Canada
Ottawa, Canada

OFFICE OF THE PREMIER
Province of British Columbia

Victoria, 1957, September 23

Rt. Hon. J. G. Diefenbaker, P.C.,
Prime Minister of Canada
Ottawa, Canada.

Dear Mr. Prime Minister:

I wish to acknowledge and thank you for your letter of September 16th proposing that a dominion-provincial conference on fiscal relations be held on Monday and Tuesday, November 25th and 26th.

Please be advised that these dates are entirely satisfactory to the government of British Columbia.

Yours faithfully,
W. A. C. Bennett
Premier

Translation

OFFICE OF THE PRIME MINISTER
Province of Quebec

September 23, 1957.

The Rt. Honourable John D. Diefenbaker, P.C., Q.C.,
Prime Minister of Canada,
Ottawa, Ontario.

My dear Prime Minister:

My colleagues and I have noted your letter dated September 16, which the mail carrier delivered to my office on the 18th of the same month, in the afternoon. It is about your invitation that I be present at a federal-provincial conference, "on fiscal relations", which would be held on November 25 and 26 next.

The Quebec parliament will be sitting on the dates mentioned, but the province will be represented at this conference and I myself shall be among the delegates.

I hope that this conference will be crowned with the greatest success, to which the government of the province will be pleased to co-operate, with all due regard to the rights, prerogatives and liberties of the provinces and of the federal government in general, and of the province of Quebec in particular.

Yours sincerely,
M. L. Duplessis

ONTARIO

Office of
The Prime Minister & President
of the Council

Toronto, Ontario,
September 23rd, 1957.

Dear Prime Minister:

Your letter of September 16th relative to convening a dominion-provincial conference to take place on Monday and Tuesday, November 25th and 26th, is at hand. These dates will be very agreeable to me.

As other items in relation to the conference come to hand I shall be glad if you would advise me.

Very sincerely yours,
L. M. Frost.

Rt. Hon. John Diefenbaker,
Prime Minister of Canada,
House of Commons,
Ottawa, Ontario.

Saskatchewan

Premier's Office
Regina, September 23rd, 1957.

The Rt. Hon. J. G. Diefenbaker, Q.C.,
Prime Minister of Canada,
Ottawa, Ontario.

My dear Prime Minister:

Thank you for your letter of September 16th telling me that you and your colleagues think it would be useful and desirable to arrange a dominion-provincial conference to review the present pattern of tax sharing arrangements.

As I have indicated in previous correspondence, my colleagues and I have felt for some time that a federal-provincial conference should be held, and the dates which you have suggested—November 25th and 26th—are quite acceptable to us.

I note your suggestion that the proposed conference should concern itself with fiscal relations. My colleagues and I are hopeful that it will be possible to include on the agenda some of the unfinished business from previous federal-provincial meetings. We feel that in addition to tax-sharing arrangements there are three items of major importance which ought to be discussed:

1. **Aid to municipalities.** At the present time municipalities are finding it increasingly difficult to procure capital necessary to meet the growing demand for schools, hospitals, sewer and water installations and other municipal services.

2. **Resource development.** At previous federal-provincial meetings the matter of resource development has been under consideration. Subsequently the government of Canada advanced proposals for assisting the maritime provinces in the generation and transmission of electric power. We feel there is an urgent need for a general application of this principle to all the provinces who are concerned with resource development.

3. **National hospital insurance and outpatient diagnostic services.** The last time this matter was discussed at a federal-provincial gathering the federal government's stipulation that a majority of the provinces representing a majority of the people of Canada must indicate their willingness to proceed had not fully been complied with. Therefore, the detailed terms and conditions of hospital insurance agreements were not fully discussed. Now that sufficient provinces have indicated their intention of participating, the Saskatchewan government feels that a discussion of the provisions which should be included in the proposed hospital insurance agreement would serve a very useful purpose.

May I therefore urge that consideration be given to adding these three items to the agenda for the federal-provincial conference commencing November 25th.

Looking forward to the pleasure of seeing you at that time, I remain,

Yours sincerely,
T. C. Douglas.

The Government of the Province
of Newfoundland

THE PREMIER
St. John's

23 september, 1957

Right Hon. John Diefenbaker,
Prime Minister of Canada,
Ottawa.

My dear Prime Minister:

I was absent from the province when your letter arrived, and I hasten now to acknowledge it and to say that the dates you suggest are entirely satisfactory to us.

With kindest regards,

Sincerely yours,
J. R. Smallwood

Province of Manitoba
Office of the Premier
Winnipeg

September 26, 1957

The Rt. Hon. John G. Diefenbaker, Q.C.,
Prime Minister of Canada,
Ottawa, Ontario.

Dear Mr. Diefenbaker:

I have received your letter of September 16, 1957, proposing that a dominion-provincial conference be held at Ottawa on November 25th and 26th to review the present pattern of tax-sharing arrangements. My colleagues and I are certainly desirous of participating in such a conference and will accommodate ourselves to whatever date is best suited to all concerned.

However, in our province, November 26th marks the opening of a most important

municipal convention—the annual meeting of the union of Manitoba municipalities. Because of its importance, my colleagues and I would ordinarily be attending several of its sessions. On the other hand, we realize that your time and that of your colleagues is closely scheduled, and as mentioned earlier, we will accept your suggested dates if they are found to be most satisfactory to your government and the other provinces.

Your letter makes no mention of municipal government participation in or representation at the proposed conference. Manitoba, as you are probably aware, has in the past strongly urged that municipal governments be allowed to share in these inter-governmental discussions. At the conference held in Ottawa on April 26, 1955, I made the following statement:

"Mr. Prime Minister, I am sure that there can be no doubt of the value of federal-provincial conferences. Canada is one of the largest and most rapidly developing countries of the world. All of us rejoice in the magnificent contribution it has already made and is destined to make in world affairs. But to make that contribution the maximum possible we must attain complete understanding and co-operation within Canada itself. I firmly believe that gatherings such as this will do much toward the attainment of that objective. We think, however, that these meetings can be made more fully effective by including those engaged in another sphere of government. We therefore propose that municipal representatives be invited to the federal-provincial conference when it is held later this year.

"Like the provinces, the municipalities face tremendous problems in meeting the growing needs of education, public works, public investment, unemployment relief, housing, health, welfare and other services. Participation by their representatives will ensure that their viewpoints on these vital questions will be clearly presented to the conference by those engaged directly in local government."

The Manitoba government again urges that municipal representatives should attend our inter-governmental conferences as official members. It is obvious that municipalities, like the provinces, find it difficult to finance their constitutional and traditional responsibilities and at the same time provide for the measures of social and economic development so essential not only to the local areas directly concerned, but also to the nation as a whole. Since the task of governing Canada has been divided among three governmental groups, it is our opinion that representatives of each of these groups should be invited to sit as members of the proposed conference.

So aware are we of the financial problems facing our municipalities that this government has adopted the policy of assisting our municipal governments, either by way of direct contribution to their treasuries or by the assumption of responsibilities formerly borne by them, to an amount representing by far the major portion of our tax arrangement revenues from Canada. In line with this policy, we will continue to share with our municipalities on a generous basis any increases in provincial revenues that result from revisions in the present tax-sharing formula. In our opinion, this is another compelling reason why our municipalities should from time to time have direct representation at federal-provincial conferences.

I am sure that you and your colleagues are familiar with the traditional position which the province of Manitoba has taken with respect to the tax agreement system. Our province has consistently been a foremost advocate of the principle of equalization—a principle which was fundamental to the former tax rental agreements and which has continued to be recognized in the present arrangements. We will certainly not willingly accept any abandonment of this principle, or the adoption of any formula which failed to continue to provide to the less wealthy provinces a position relative to that of the other provinces at least as favourable as that which they hold under the present arrangements.

You will be aware, I am sure, that Manitoba at earlier conferences and in previous correspondence with the government of Canada, has expressed the opinion that while the 1957 tax-sharing arrangements equalize to a certain extent the extreme variations in the taxable capacity of the provinces, they may not go far enough towards providing to the provinces sufficient revenues to enable them to meet the rapidly growing demands on both provincial and local government treasuries. At the forthcoming conference, therefore, we will look forward to hearing proposals put forward respecting revisions in the present tax-shar-

ing formula which will give greater recognition to this principle of equalization and result in the provinces obtaining a larger share of the tax resources available to government in Canada.

Notwithstanding the municipal convention that will be taking place in Manitoba towards the end of November, I would again like to assure you that my colleagues and I will be present at the proposed conference on November 25th and 26th, or on any alternative date that may prove to be more suitable to your government and the other provinces. In addition, if you agree with our view that municipal participation in the conference is desirable, we will be happy to arrange for it as well.

Yours very truly,
Douglas Campbell

Dominion-Provincial Conference

PREMIERS OFFICE
Prince Edward Island

October 7, 1957

Rt. Hon. John G. Diefenbaker, Q.C.,
Prime Minister of Canada,
Ottawa, Canada.

My Dear Prime Minister:

I acknowledge receipt of your letter of September 16 inviting the provinces to participate in a dominion-provincial conference to review the present tax sharing agreements. I can assure you that we in the government of this province welcome the opportunity to present our case to the government of Canada.

The dates proposed will be satisfactory to the province of Prince Edward Island.

Yours sincerely,
A. W. Matheson
Premier

HOUSE OF COMMONS

Thursday, October 31, 1957

The house met at 2.30 p.m.

HOUSE OF COMMONS

YUKON—TABLING OF TYPEWRITTEN EVIDENCE AT TRIAL RESPECTING VOIDED ELECTION

Mr. Speaker: The house will recall that on Wednesday, October 23 last, when presenting the certificate of judgment concerning the controverted election in the Yukon, I stated that the typewritten evidence with respect to the trial would be forwarded by the judges with the minimum of delay. The evidence has now been received, and I now lay it upon the table.

INTEREST ACT

AMENDMENT TO ESTABLISH MAXIMUM RATE

Mr. H. R. Argue (Assiniboia) moved for leave to introduce Bill No. 17, to amend the Interest Act.

Some hon. Members: Explain.

Mr. Argue: Mr. Speaker, the purpose of this bill is to place a ceiling of 12 per cent per annum as a maximum on interest rates that may be charged except as specifically provided by other acts of parliament.

Motion agreed to and bill read the first time.

AGRICULTURE

MEASURE TO PROVIDE GUARANTEED PRICES FOR CERTAIN COMMODITIES, ETC.

Hon. D. S. Harkness (Minister of Agriculture) 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 establish a system of guaranteed prices for certain agricultural commodities to be named therein and to provide that prices may be guaranteed for any other agricultural commodity or commodities as named from time to time by the governor in council, such measure to include: provisions for the establishment of a board and an advisory committee, the appointment of members thereof and employees and the payment of their salaries and expenses; provisions for the payment of administration costs and expenses; provisions establishing a revolving fund in the consolidated revenue fund and authorizing expenditures therefrom for the purposes of the proposed measure not exceeding in the aggregate two hundred and fifty million dollars in addition to the expenditure of the proceeds of sale of agricultural commodities and other revenues derived thereunder; and such further related and consequential provisions as may be necessary to give effect to the foregoing system.

Motion agreed to.

JUDGES ACT

AMENDMENT TO PROVIDE ADDITIONAL BRITISH COLUMBIA AND ONTARIO JUDGES

Hon. E. D. Fulton (Minister of Justice) 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 Judges Act to provide salaries for two additional puisne judges of the court of appeal of British Columbia and also a salary for one additional county court judge for the province of Ontario.

Motion agreed to.

PUBLIC WORKS

MAGDALEN ISLANDS—REPORTED PATRONAGE IN EMPLOYMENT OF WORKERS

On the orders of the day:

Mr. C. A. Cannon (Iles-de-la-Madeleine): Mr. Speaker, may I direct a question to the Minister of Public Works. In view of the statement made by the Minister of Public Works as reported in the Ottawa *Journal* of July 24, that political job patronage must be rooted out of his department and that the job applicant's politics will no longer be a factor in getting on a public works payroll, will the minister inform the house what steps are being taken to implement this policy in the Magdalen islands where at the present time all Liberals, and particularly Liberal veterans, are refused employment on public works?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, from what I hear I have no doubt whatever that in the riding to which my hon. friend has referred there is a long established custom of handling public works and I shall be very glad to make inquiries. From what I have already heard of that riding I have no doubt that what has been going on can be improved without very much effort.

Mr. Cannon: Does this mean that the minister's declared policy is not going to be applied to the veterans in the Magdalen islands?

An hon. Member: You are in a weak spot there.

Inquiries of the Ministry

MONTREAL—STATEMENT ON PROPOSED NUNS' ISLAND CAUSEWAY

On the orders of the day:

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, yesterday the hon. member for Verdun asked me a question concerning the proposed Nuns' island causeway. The answer is that the city of Verdun was advised on September 19, 1957, that the construction of the causeway as proposed could not be approved by the department because it would interfere with navigation. The applicant has not yet submitted a revised project.

With reference to the second part of the question, it does appear that there would be dangers of additional flooding and pollution of the water if the causeway were built as proposed. This matter has not been given full consideration, as the proposed structure could not be approved on account of its interference with navigation.

RESEARCH AND DEVELOPMENT

INQUIRY AS TO REPORTED REDUCTION IN EXPENDITURES

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 Trade and Commerce. Will the minister inform the house whether the newspaper reports to the effect that expenditures on fundamental research are being reduced are correct?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I thank the hon. member for giving me notice of this question. I have not had a chance to see the newspaper reports but I am informed that there is no foundation for any assumption that expenditures on research will be reduced, since treasury board has not considered the estimates for research expenditures. When they have been approved they will be presented to the house in the normal way.

NATURAL GAS

TRANS-CANADA PIPE LINES—REQUEST FOR STATEMENT ON POSITION REGARDING EXPORTS

On the orders of the day:

Mr. Solon E. Low (Peace River): Mr. Speaker, I have a question for the Minister of Trade and Commerce. In view of the report in the Toronto *Globe and Mail* of October 26 to the effect that Mr. N. W. Freeman, president, Mid-Western Gas Transmission Company, testified before the federal power commission on October 24 that he believes the new government in Canada will honour the undertaking of the former minister of trade and commerce, Mr. C. D. Howe, to authorize the export of gas by Trans-Canada to the Mid-Western Gas Transmission Company at Emerson, Manitoba, would the Minister of Trade and Commerce advise the house of the attitude of the present government to said export?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, because of our belief that all pertinent questions in connection with Trans-Canada Pipe Lines should be considered by the Borden royal commission no final answer can be given at this time, for the implications of the question bring it clearly within the terms of the study to be made by that royal commission. In order to arrive at a decision the commission will hear evidence and ascertain, as the result of reviewing that evidence, what recommendations it should make. On the basis of the decision then to be made by the government this matter can be finally answered.

Right Hon. J. G. Gardiner (Melville): Mr. Speaker, I should like to ask a further question with regard to the pipe-line matter. The Prime Minister made a statement a few minutes ago to the effect that a royal commission is being appointed—

Mr. Fulton: Has been appointed.

Mr. Gardiner:—"has been appointed", I hear from the other side—and that this royal commission is now entrusted with gathering all information with regard to the pipe line.

Mr. Fleming: What is the question?

Mr. Gardiner: The question will be ready soon enough for the benefit of my hon. friends.

Mr. Fleming: Ask your question.

Mr. Gardiner: I should like to ask, Mr. Speaker, if this is a new form of gag that is being brought into this house—to appoint a royal commission, then when questions are asked they are not answered? Does the appointment of the royal commission tie up everyone so they cannot ask questions?

Mr. Speaker: I am not sure whether or not, as the right hon. member left it, there was a question before this house.

Mr. Chevrier: There is a question.

Mr. Gardiner: Does the royal commission tie up discussion in this house of the pipeline question or anything else?

Mr. Speaker: As I understand it—

Mr. Diefenbaker: That all depends on whether or not discussion can take place on the basis of the rules, but I was not dealing with that phase. I was simply saying that this government, having regard to all the

circumstances connected with Trans-Canada Pipe Lines, wants to have the full evidence which was not available to the last government when decisions were made, before a final answer in this regard is made.

FINANCE

REPORTED LIMITATION OF BANK LOANS TO MUNICIPALITIES

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Minister of Finance. Has the minister's attention been drawn to the statement by Premier Frost that the chartered banks have clamped down on needed loans to municipalities for works projects and school construction? Is the government considering ways of alleviating the very high interest rates now crippling municipal financing?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, in his first question my hon. friend asks if my attention has been drawn to the statement by Premier Frost that the chartered banks have clamped down on needed loans to municipalities for works projects and school construction. The answer to the question, apart from my hon. friend's question, is no.

Mr. Argue: And the attached newspaper clipping?

Mr. Fleming: Yes, my friend sent over an attached clipping. Since coming into the house I have not had the opportunity to read it through but, as I say, apart from my friend's question, the answer is no; that is to say, apart from what my hon. friend says in his question the answer to his question is no. In his second question he asks whether the government is considering ways of alleviating the very high interest rates now involved in municipal financing. Among the unhappy legacies inherited by this government from the former government—

Some hon. Members: Order.

Mr. Fleming: —were the highest rates in a generation. As a government we do not like these very high interest rates and we are, of course, concerned about the burdens they place upon municipal and all other levels of government in this country. I think it will be a matter of interest, and certainly a matter of gratification on the part of those members who are not simply engaged in playing politics in this house, that the interest rates in this country—

An hon. Member: The pot calling the kettle black.

Mr. Fleming: —on dominion government securities have been easing of late.

Mr. Colin Cameron (Nanaimo): May I address a supplementary question to the Minister of Finance arising out of his answer to the hon. member for Assiniboia. To what actions of the previous government does he attribute the rise in interest rates, and what specific steps does his government propose to take to lower the level of the interest rates?

Mr. Fleming: Mr. Speaker, there is no one in—

Mr. Speaker: Order. May I say, before the minister attempts to answer that question, that I consider the first part of the question contravenes the rules of the house, it being a question relating to the conduct of the former ministry for which the present ministry is not responsible. The second part of the question, if the minister wishes to answer it, may involve a matter of policy.

Mr. Fleming: The second part of the question obviously relates to a matter of government policy.

Mr. McIlraith: I should like to raise a point of order on that question. The question arose directly out of the minister's answer to another question. If the question now put is out of order, then the minister's previous answer was out of order and should have been ruled out of order.

Mr. Speaker: I do not recall having ruled anything out of order. I simply stated that it appeared to me to be a matter involving policy and left it to the minister to answer it, which he did.

Mr. Jacob Schulz (Springfield): I should like to ask the Minister of Finance a supplementary question arising out of the answer he gave regarding high finance or high interest rates, which suggested that the present situation is a legacy inherited from the Liberals. Is it not a fact that interest rates have gone up since the government took office, and that this move was initiated by the Bank of Canada, which is a government institution?

Mr. Fleming: Mr. Speaker, the fact is, as I said earlier this afternoon in reply to a question, that interest rates on government securities have eased slightly in recent weeks.

SUCCESSION DUTY ACT—INQUIRY AS TO AMENDMENTS

On the orders of the day:

Mr. E. G. Hansell (Macleod): Mr. Speaker, may I direct a question to the Minister of Finance. It is based on the considerable

representation which has been made over the past year for amendments to the Dominion Succession Duty Act and on the basis that the previous minister of finance said in the house that amendments were being prepared and would be brought down at the next session. My question is this. Can we expect this session any legislation which would amend the Dominion Succession Duty Act?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, to complete the information contained in the hon. member's question one should say that for the last three years of its life the former government promised to introduce new legislation to replace the existing succession duty act and did not do so. This matter is under active consideration.

IMMIGRATION

REPORTED PAYMENT OF RETURN FARES TO UNITED KINGDOM FOR SURGICAL TREATMENT

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): May I direct a question to the minister of immigration. Is the report from London correct, as given over the news broadcast, that a young British couple have had their fares paid to the United Kingdom in order that the wife, who is suffering from a cataract, may have the operation performed in England free of charge? If so, what kind of advertising for Canada is that?

Hon. E. D. Fulton (Acting Minister of Citizenship and Immigration): I must confess to the hon. gentleman that I did not hear the radio report and therefore I am not able to assess its accuracy or otherwise. If it is not accurate I would ask the hon. gentleman, what kind of advertising for Canada is that? However, I can assure him I shall make immediate inquiries as to the accuracy of the report and bring him in an answer at an early date.

Mr. Coldwell: I have usually found reports emanating from London to be correct.

LABOUR CONDITIONS

SUGGESTED INSTRUCTIONS TO UNEMPLOYED

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): I should like to direct a question to the Minister of Labour, of which I gave him notice yesterday. What consideration, if any, is the government giving to the suggestion to the unemployed that they would be well advised to remain in the community in which they now live unless directed to some other labour field in the Canadian market by the officers of the unemployment insurance commission?

Hon. Michael Starr (Minister of Labour): I appreciate the hon. member's courtesy in giving me notice of this question. The question naturally divides itself into two parts. In the first place the government, or the unemployment insurance commission in this case, is hardly in a position to suggest to an individual who is interested in finding work that he should remain in a locality where he cannot get employment. People will insist on remaining free to look for work wherever it may be found. As long as they succeed in finding it, this is a good principle and one with which there should be no interference.

In the second place, Mr. Speaker, when it becomes evident that work is simply not to be had in a certain locality, that activity has dried up and there is little likelihood of work being found, or where the supply of workers is far in excess of the available jobs and will likely remain so, then the Department of Labour has recommended that such areas be declared labour surplus areas and transportation assistance has been supplied to workers who have promises of jobs in other regions. Windsor, Ontario; Springhill and New Glasgow, Nova Scotia; and St. Stephen, New Brunswick, have been declared such areas. In a few days Tilbury, Ontario, will be declared a labour surplus area.

TRADE

REQUEST FOR REPORT ON MISSION TO COMMUNIST CHINA

On the orders of the day:

Hon. L. B. Pearson (Algoma East): Mr. Speaker, I should like to address a question to the Minister of Trade and Commerce, to ask him whether, in view of the statement he made last week to the effect that the trade mission was leaving Hong Kong for communist China early in November, he would make the report he promised to the house before the departure of that mission.

Hon. Gordon Churchill (Minister of Trade and Commerce): Yes, Mr. Speaker; I hope to make that report tomorrow. I would have made it today but I returned to Ottawa just at noon, and I have not had a chance to check some of the material in my office.

DISCUSSION OF FREE TRADE AREA AT LONDON CONFERENCE

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce. Before doing so may I say we all welcome him back in the house today from his conversations at GATT in Geneva. Could the minister now tell us whether he intends to head the goodwill trade delegation to the United Kingdom shortly, and if he does go to London will he be empowered on behalf of the government to discuss the proposal made by Canada and particularly the proposal made by the United Kingdom in the matter of the establishment of a free trade area between Canada and the United Kingdom?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I am very pleased and a bit surprised to be welcomed back to the house in such a charming manner by my hon. friend. I will be heading up the trade mission to England if the Prime Minister decides that I should go.

Mr. Gauthier (Portneuf): He is the boss.

Mr. Pickersgill: One-man cabinet.

Mr. Churchill: It is intended to investigate the possibilities of importing British products for Canadian use, and that is the main and primary purpose of that mission. I have not yet received any instructions as to whether I am to consult with any members of the British government with regard to any other questions.

Mr. F. S. Zaplitny (Dauphin): A supplementary question, Mr. Speaker. Can the minister inform the house if representation from the farm organizations will be included in that delegation and, if so, can he inform the house who the individuals are and what organizations they represent?

Mr. Churchill: Mr. Speaker, I think it was definitely indicated in the throne speech that all sections of Canada would be represented, and I believe agriculture was specifically named. The complete list of people who will be going on that mission is not ready yet but I hope it will soon be available and we will be able to announce it to the house in the course of the next few days.

Mr. A. W. Stuart (Charlotte): A supplementary question. Are all these Canadian delegates going to purchase and not to sell?

Mr. Churchill: I am sorry I did not hear the question.

Mr. Stuart (Charlotte): Are all the delegates in the mission going to Britain to buy and not to sell anything?

Mr. Churchill: Mr. Speaker, some of the distinguished representatives of business who are going to the United Kingdom with this mission have in the past also sold materials to the United Kingdom, but in this particular instance the emphasis is on buying goods from the United Kingdom. The people in the United Kingdom are very happy indeed that this mission is going over. They are looking forward with interest to a visit of Canadian industrialists and farm and labour representation, and they are going to demonstrate to us that the United Kingdom is prepared to compete successfully with any other country in the world from which Canada is now obtaining goods of that kind.

Mr. Stuart (Charlotte): Will the fishing industry be represented on the delegation?

Mr. Churchill: During my absence of the last several days the matter has been actively considered. I have not seen the complete list, but I would hope that the fishing industry would be adequately represented.

HEALTH INSURANCE

INQUIRY AS TO INCLUSION OF MENTAL AND TUBERCULAR PATIENTS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Minister of National Health and Welfare whether it is the intention of the government to carry out the promise made in Winnipeg by the Prime Minister to include mental and tubercular patients in the federal hospital insurance plan.

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I think the hon. member will find that it is the intention of the government to carry out all its campaign pledges.

ONTARIO—STATEMENT ON TREATMENT OF MENTAL AND TUBERCULAR PATIENTS

On the orders of the day:

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, yesterday the hon. member for Welland asked me whether this government has had any discussions with the province of Ontario concerning proposed federal contributions toward the cost of treating mental and tubercular patients in that province. The answer is yes.

Mr. W. H. McMillan (Welland): I should like to address a question to the Minister of National Health and Welfare arising out of

the answer he just gave. Has this government given any assurance that federal money might become available for the treatment of tubercular and mental diseases in Ontario; and will the minister table any correspondence he has had with the government of Ontario?

Mr. Monteith: Mr. Speaker, there is a request on the order paper for the tabling of any correspondence since June 10. I presume that will cover the hon. gentleman's question.

Mr. Pickersgill: Is it going to be tabled?

CANADIAN NATIONAL RAILWAYS

NEW BRUNSWICK—STATEMENT AS TO ABANDONMENT OF MONCTON-SHEDIAC LINE

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, yesterday the hon. member for Westmorland (Mr. Murphy) asked me whether it was the intention of the Canadian National Railways to abandon the line running between Moncton and Shediac. I have been in touch with the Canadian National Railways and they advise me that they have no application before the board of transport commissioners for the abandonment of that line, nor do they have any immediate intention of placing such an application before the board.

TELEVISION

INVERNESS-RICHMOND—REQUEST FOR PROVISION OF SATELLITE SERVICE

On the orders of the day:

Hon. George H. Hees (Minister of Transport): While I am on my feet, Mr. Speaker, may I answer a question asked me yesterday by the hon. member for Inverness-Richmond (Mr. MacEachen) with regard to the application of CJCB-TV at Sydney to establish a satellite station in the Inverness area.

The application of CJCB-Sydney for a satellite television station in the Inverness area was not recommended for approval by the C.B.C. board of governors because of their opinion that too high a power was involved. I understand that CJCB is presently planning to submit a fresh application based upon a lower power, a fact which may overcome the difficulties experienced in the previous application. Should such a fresh application be received it will, of course, be dealt with as promptly as possible.

MARITIME PROVINCES—INQUIRY AS TO COVERAGE IN FRENCH

On the orders of the day:

Mr. H. J. Michaud (Kent, N.B.): I would like to ask a question of the Minister of National Revenue. Could the minister tell us what progress is being made by the C.B.C. in providing television coverage in the French language in the maritimes?

Hon. G. C. Nowlan (Minister of National Revenue): Mr. Speaker, the hon. gentleman has just sent over to me notice of his question, and the question he has now put differs from the question which is in writing. I will therefore take this as notice and answer him at a later time.

ADMINISTRATION OF JUSTICE

NORTH BAY, ONT.—APPLICATION OF VAGRANCY SECTION OF CRIMINAL CODE

On the orders of the day:

Mr. Claude Ellis (Regina City): Mr. Speaker, I should like to direct a question to the Minister of Justice. Does the minister care to comment on the report in the Toronto *Daily Star* of October 25, of which I have sent him a copy, to the effect that a 57-year-old man at North Bay, Ontario, has been jailed for six months under the vagrancy section of the Criminal Code of Canada for no apparent reason other than the refusal of the authorities to grant assistance and the magistrate's desire to save the accused from freezing to death?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I am sure the hon. gentleman would agree with me that it would not be proper for me—nor am I called upon—to comment on a speculative report in a press dispatch as to the circumstances which may have surrounded a particular case coming before a court in one of our provinces. If the matter is raised as a matter of remission, which is under the responsibility of this government, then I can assure the hon. gentleman that as a remissions matter it will be taken under immediate consideration.

Mr. Ellis: May I then ask a supplementary question, Mr. Speaker. Is the intention of the vagrancy section of the criminal act to supplant social welfare aid?

Mr. Fulton: If the hon. gentleman will read the relevant section of the Criminal Code I think he will find the answer for himself.

NATURAL RESOURCES

BRITISH COLUMBIA—STATEMENT ON REQUEST FOR R.C.M.P. REPORT ON FOREST MANAGEMENT LICENCES

On the orders of the day:

Hon. E. D. Fulton (Minister of Justice): I would like to refer, Mr. Speaker, to a question which was asked of me yesterday by the

hon. member for Vancouver-Kingsway (Mr. Macdonald). The question was whether I would make available a report of the Royal Canadian Mounted Police dealing with charges of bribery and conspiracy in the granting of forest management licences in the province of British Columbia. I made a partial answer yesterday, and I undertook to check up on the circumstances surrounding this situation.

I am now able to advise the house that this case was investigated by the Royal Canadian Mounted Police at the request of the attorney general of the province of British Columbia and as a function called for under the contract between the government of Canada and the government of the province of British Columbia for the services of the Royal Canadian Mounted Police. The investigation, as I tentatively indicated yesterday, was therefore an entirely provincial matter, and the report is not one which I am at liberty to disclose.

I may say in addition, Mr. Speaker, that the work carried out by the Royal Canadian Mounted Police in British Columbia under the policing agreement is paid for at rates set down in the agreement and based upon a division of the per capita operating costs of the force. Charges to the provinces are therefore not apportioned in any way to individual cases such as this.

Mr. Speaker, I was particularly concerned to establish in my own mind, and because several hon. members are interested in this matter, whether I would have any authority to disclose the report. In the course of investigation I checked what I believed to be the relevant clause of the agreement then in force between the government of Canada and the government of British Columbia under which the Royal Canadian Mounted Police carry on provincial policing. The relevant clause of the agreement then in force, clause 2, recites that the Royal Canadian Mounted Police shall perform the duties of the former British Columbia provincial police force:

> —in accordance with the wishes and under the direction of the attorney general of the province of British Columbia in the same manner and to the same extent as if the British Columbia provincial police were still in existence.

It therefore appears to be clear that the question of whether or not the report is to be made public is a matter entirely within the authority of the provincial attorney general.

Mr. A. B. Macdonald (Vancouver-Kingsway): Then may I ask a supplementary question, Mr. Speaker. Could the minister inform the house whether, if it appears that there is documentary and other evidence indicating criminal conspiracy, and if the attorney general of the province concerned fails to take any action thereon, the Minister of Justice of Canada is powerless under those circumstances to protect the public interest?

Mr. Speaker: Order. I would point out to the hon. member that his question appears to me to infringe the practice of the house in two respects. First, it is hypothetical and is based on a supposed failure of a provincial attorney general to do his duty. Second, it relates to the duty of the minister of another government, which therefore is not the responsibility of the minister here.

MUNICIPAL IMPROVEMENTS ASSISTANCE

REQUEST FOR LIFTING OF 1940 SUSPENSION OF LEGISLATION

On the orders of the day:

Mr. T. J. Irwin (Burnaby-Richmond): Mr. Speaker, I wish to direct a question to the Minister of Finance, notice of which I have given him. In view of the fact that section 8 of the Municipal Improvements Assistance Act has not been invoked, will this government now lift the 1940 suspension of the act and permit loans to municipalities under this act?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I thank my hon. friend for sending me notice of this question. This is obviously a matter of government policy, Mr. Speaker.

BRIDGES

LEWISTON, N.Y.-QUEENSTON, ONT.—INQUIRY AS TO CONSTRUCTION

On the orders of the day:

Mr. W. L. Houck (Niagara Falls): Mr. Speaker, I should like to direct a question to the Minister of Transport. Mr. Robert Moses, who happens to be the chairman of the New York State power authority, is continually making speeches and giving press interviews—

Some hon. Members: Question.

Mr. Houck: My question is about the bridge connecting the New York state throughway and the Queen Elizabeth highway. I wonder if the minister has had any correspondence or has entered into any negotiations with the proper authority in the United States in this respect. This bridge is to extend from Lewiston, New York to Queenston, Ontario, well below Niagara falls, the show place of the world.

Inquiries of the Ministry

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I received no communication either from Mr. Moses or anybody else in authority in the state of New York, and I have received no word of an intention to build such a bridge.

DOMINION-PROVINCIAL CONFERENCE

REQUEST FOR REPLY TO SUGGESTED MUNICIPAL REPRESENTATION

On the orders of the day:

Mr. Louis Deniset (St. Boniface): Mr. Speaker, I wish to direct a question to the Prime Minister regarding the correspondence between the dominion government and the provinces with regard to the conference to be held on November 25. What answer, if any, has been made by this government to the suggestion made by the premier of the province of Manitoba that municipal participation in the conference is desirable?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, perhaps I should endeavour to answer my hon. friend's question. At least one other member of the house has sent notice of his intention to ask a question concerning this matter of municipal representation. For instance, I have received notice of a question from the hon. member for Burnaby-Coquitlam (Mr. Regier) as follows:

Will the municipalities be represented at the forthcoming dominion-provincial conference? If so, will they be given a chance to participate in the discussions or will they merely attend as observers?

Mr. Speaker, the Prime Minister dealt with this matter in answering a somewhat similar question. His answer is to be found at page 177 of *Hansard* of October 21. This particular conference has been called as a dominion-provincial conference. It really is not within the power of the federal government to decide that it shall be attended by municipal representatives sitting simply as representatives of municipalities in general.

As was made quite clear in the answer of the Prime Minister, the federal government has no objection whatsoever to the provincial governments associating with their ministers representatives of municipalities in their provinces if they choose to invite them to the conference. What particular part such municipal representatives appearing as members of a provincial delegation would play in the conference would be a matter, of course, for the provincial governments concerned and for the conference itself to decide.

Mr. Deniset: A supplementary question, Mr. Speaker. I did not ask for a speech; I only asked for an answer. What answer has been given to the premier of the province of Manitoba? Has any answer been given, or is this the answer?

Mr. Speaker: The hon. member is now making a speech himself.

Some hon. Members: No, he is not.

Mr. Speaker: As I understand him he is rising to say he did not ask the minister to make a speech. If it is a point of order the hon. member wishes to raise I shall be glad to consider it.

Mr. Gauthier (Portneuf): No, he wants an answer to his question.

Mr. Chevrier: He is entitled to an answer.

Mr. Deniset: Does the Prime Minister intend to give me an answer to this question?

An hon. Member: He did.

Mr. Deniset: I do not think he has answered my question.

Mr. Gauthier (Portneuf): No answer at all, as usual.

Mr. Speaker: I am not sure that is a point of order. As I understood the question and the answer it seemed to me they were complete, and I do not know what point of order arises out of that. If the hon. member has a further supplementary question I will permit it.

Mr. Deniset: I merely asked, Mr. Speaker, if an answer had been given to the premier of the province of Manitoba.

Mr. Gauthier (Portneuf): That is not a point of order; that is a question.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, an answer was given in a letter that will go out to all the premiers setting out the details. They will not be set out in the words the Minister of Finance used, but they will be of the same purport.

Mr. Gauthier (Portneuf): It has not been sent out yet.

[*Later:*]

(*Translation*):

INQUIRY AS TO CALLING CONFERENCE ON AGRICULTURAL DEVELOPMENT

On the orders of the day:

Mr. Samuel Boulanger (Drummond-Arthabaska): I would like to direct a question to the Minister of Agriculture.

I know the Minister of Agriculture speaks French, and I shall ask him this question in French.

Does the government propose to call a federal-provincial conference on agricultural development?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I shall take this as notice and shall give the hon. member an answer as soon as possible.

(Text):

INDUSTRY

ATLANTIC AREA—STEPS TO ENCOURAGE LOCATION OF PRIVATE INDUSTRY

On the orders of the day:

Mr. H. J. Murphy (Westmorland): Mr. Speaker, I would like to direct a question to the Minister of Finance. What special fiscal consideration is being given to private enterprises to encourage the location of industry in the Atlantic area?

Hon. Donald M. Fleming (Minister of Finance): I could not hear my hon. friend's entire question. If he will repeat it I will endeavour to answer.

Mr. Murphy (Westmorland): What special fiscal consideration is being given to private enterprises to encourage the location of industry in the Atlantic provinces?

Mr. Fleming: Mr. Speaker, if my hon. friend will be a little more specific I think I may be able to give him a more satisfactory answer.

An hon. Member: He has a quotation from the Prime Minister's speech over there.

Mr. Murphy (Westmorland): If I may, I will read the Atlantic resolution endorsed by 33 Progressive Conservative candidates.

Some hon. Members: Oh, oh.

Mr. Gauthier (Portneuf): He asked for it.

Mr. Pickersgill: He wanted something specific.

Mr. Speaker: I am sure the house would enjoy the reading of this document, but I must point out to the hon. member that he may ask a question but not give information.

Some hon. Members: He asked for it.

Mr. Murphy (Westmorland): Mr. Speaker, I will ask what action has been taken so that special fiscal consideration will be given to private enterprises which will encourage the location of industry in the Atlantic area. A photograph of the minister's colleague, the Minister of Veterans Affairs (Mr. Brooks), appears alongside the newspaper article I hold in my hand; you could ask him.

Mr. Fleming: Mr. Speaker, if my hon. friend will follow closely—

Some hon. Members: Answer.

Mr. Fleming:—the language of the speech from the throne he will see there some measures that will be of the greatest assistance to the maritime area in attracting industry there and buttressing the economy of that important part of Canada.

Mr. Sinclair: Like paying cash advances on farm-stored grain; that is a big help to the maritimes.

FISHERIES

CONTAMINATED OYSTERS AND CLAMS—STATEMENT ON PROTECTION AGAINST SALE

On the orders of the day:

Hon. J. W. Monteith (Minister of National Health and Welfare): Yesterday the hon. member for New Westminster (Mr. Hahn) mentioned the fact that clam and oyster sales have been stopped in the greater Vancouver area, and asked what steps have been taken to guarantee that wholesalers had not sold any of these contaminated oysters and clams in the prairie provinces and other parts of British Columbia.

I would inform the hon. member that by arrangement with the Department of Fisheries and health authorities of British Columbia, the department's food and drug officials maintain a survey of the shellfish beds in that province. As soon as evidence of rising toxicity was obtained, these beds were closed and stocks of shellfish in the hands of wholesale dealers were placed under detention, pending the carrying out of tests to determine their safety. Stocks coming from these beds which were in the hands of retailers were withdrawn. I am assured that similar measures have been taken beyond the greater Vancouver area, including shipments to the prairie provinces.

EXTERNAL AFFAIRS

INQUIRY AS TO APPOINTMENT OF AMBASSADOR TO VATICAN

On the orders of the day:

Mr. Wilfrid LaCroix (Quebec-Montmorency): Mr. Speaker, I have just been reading an article in the *Globe and Mail* in which the Solicitor General (Mr. Balcer) stated—

Some hon. Members: Question.

Mr. LaCroix: I have to read the article. The article reads:

> Asked how the Conservative party stood on the issue of maintaining permanent diplomatic representation at the Vatican, Mr. Balcer was quoted as replying:
>
> "Just place us in power and you'll see before long".

Mr. Speaker: Order.

Inquiries of the Ministry

Mr. LaCroix: Is it the intention of the minister to quit the cabinet if he does not fulfil that promise?

Hon. Leon Balcer (Solicitor General): Mr. Speaker, the quotation the hon. member for Quebec-Montmorency has just read is a misquotation, because I remember very well my words were that the Conservative party will be in power very soon. It was badly interpreted. What I said was, "You will see very soon".

Mr. Sinclair: What about the ambassador?

[*Later:*]

(*Translation*):

Mr. LaCroix: Mr. Speaker, I have been told that the right hon. Prime Minister (Mr. Diefenbaker) speaks French well. I am pleased to hear it and I want to ask him a question. I informed him yesterday of a statement made by the ambassador for Ireland, and I would now ask him whether he has any comments to make on the subject.

(*Text*):

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I can say in answer to my hon. friend that there is some doubt whether or not the ambassador for Ireland made the statement in question. However, my answer to the question that my hon. friend asked yesterday is no, and if he wants further information on the subject I would suggest that he look up *Hansard* of May 6, 1953, where he will find an answer given by the present member for Algoma East with regard to this matter. There is also a further answer on March 7, 1957, given by the then secretary of state for external affairs, now the hon. member for Algoma East.

SHIPPING

INQUIRY AS TO WHARF IMPROVEMENTS ON SAGUENAY RIVER

On the orders of the day:

Mr. Auguste Maltais (Charlevoix): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Will the minister indicate to the house whether urgent wharf improvements on the Saguenay river are to be carried out to facilitate the proposed new ferry across the said river between Baie Ste. Catherine and Tadoussac? I have given the minister notice of this question.

Hon. Howard C. Green (Minister of Public Works): I have to take the question as notice.

[Mr. Speaker.]

INCOME TAX

TRANSPORTATION AND LIVING ALLOWANCE DEDUCTIONS

On the orders of the day:

Mr. Claude Ellis (Regina City): Mr. Speaker, I should like to direct a question to the Minister of Finance. Will the government give consideration to representations made by groups of organized labour that regulations under the Income Tax Act be changed in order that construction and other workers required to be absent from their normal place of residence be entitled to deduct for income tax purposes costs of food, lodging and other out of pocket expenses?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the government has given, is giving and will continue to give consideration and study to this problem which arises out of bungling on the part of the former government. I think my friend is in error in assuming that it is capable of being redressed by regulation.

Mr. Ellis: Mr. Speaker, perhaps I should direct a supplementary question to the Minister of Public Works. I wonder whether he could use his persuasive powers on his colleagues with a little more effectiveness this year to bring about the change I have just outlined in the question?

Hon. Howard C. Green (Minister of Public Works): I will do my best. I find my present colleagues much easier to work on than the former government.

PUBLIC SERVICE

NATIONAL DEFENCE—STATEMENT ON APPLICATION OF REGULATIONS RESPECTING DISMISSAL OF EMPLOYEES

On the orders of the day:

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, the hon. member for Kingston asked this question:

> Do the regulations outlined yesterday by the Minister of Transport with respect to the political partisanship of casual labourers employed by the Department of Transport also apply to casual labourers employed by the Department of National Defence?

In reading the remarks of the Minister of Transport which he made yesterday I see that he referred to a practice which had been acceded to by succeeding governments over a great many years, not regulations. In answer to the direct question, I would say that if any complaints are received in writing against either a civil servant or a person employed at prevailing rates in my department, they will be investigated.

HOUSING

REQUEST FOR CANCELLATION OF INCREASE IN INTEREST RATES

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): I should like to ask the Minister of Public Works a question. In the light of the answer supplied by the Minister of Finance only a few minutes ago to the effect that interest rates were easing, will the minister consider recommending that his recent announcement raising interest rates under sections 16 and 17 of the National Housing Act be cancelled or rescinded at this time?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, the interest rates under these two particular sections of the National Housing Act had to be raised because it was necessary for Central Mortgage and Housing Corporation to pay a higher rate. That increase in turn was necessary because the government itself had to pay a higher rate.

Mr. Pickersgill: I thought they were supposed to be easing.

Mr. Regier: Then the Minister of Finance was wrong when he said interest rates are easing. They are actually rising.

Mr. Green: I understood the Minister of Finance to say that whatever steps are possible are being taken to bring down interest rates.

An hon. Member: That they were easing.

GRAIN

LICENSING OF OFF-SITE STORAGE

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): I should like to address a question to the Minister of Trade and Commerce. Is he now in a position to add anything to the answer he gave me a week or so ago regarding off-site storage?

Hon. Gordon Churchill (Minister of Trade and Commerce): Not at this time, Mr. Speaker, but I will endeavour to get more information for the hon. member.

UNEMPLOYMENT INSURANCE COMMISSION

HEARST AND COCHRANE, ONT.—REQUEST FOR ESTABLISHMENT OF OFFICES

On the orders of the day:

Mr. Arnold Peters (Timiskaming): I should like to direct a question to the Minister of Labour. Has the minister received a request from the northern Ontario district council of the lumber and sawmill workers' union for the establishment of an office of the national unemployment insurance commission in the towns of Hearst and Cochrane and the establishment of a court of referees in this area to facilitate the handling of unemployment insurance claims? If so, can the minister indicate if the request can be granted?

Hon. Michael Starr (Minister of Labour): I wish to thank the hon. member for giving me notice of his question. No such request has been brought to my attention. However, I will make inquiries and if such a request has been received by the department I will give consideration to the matter and advise the hon. member for Timiskaming of the decision.

CANADIAN FARM LOAN BOARD

STATEMENT ON REPORTED DISCLOSURES OF INFORMATION RESPECTING LOAN APPLICATIONS

On the orders of the day:

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, may I refer to a question put to me on October 23 by the hon. member for Humboldt-Melfort, which is to be found at page 317 of *Hansard* and is in these words:

> Is the minister aware that when a farmer makes application for a loan from the Canadian farm loan board the board, before acknowledging the request, informs implement companies in the area of the application and of the board's disposition of the request for the loan? If the minister finds this to be the case, would he assure the house that he will instruct the board to cease immediately this unethical, high-handed and deplorable practice?

I have made inquiries, and have made them in the spirit that I indicated in my reply in the house at that time. I am assured there is no practice on the part of the Canadian farm loan board such as the hon. member implied in his question. I am told that in many cases when an application is received it is necessary to check on the statement of liabilities submitted by the applicant, this being a natural procedure in testing the propriety of granting the loan.

Of course these inquiries concerning credit oftentimes require checking, and apart from information concerning the amount of large claims, it is sometimes necessary to seek other confidential information from other business concerns such as banks, implement companies and retail credit reporting organizations. To do this it is often necessary to furnish some information.

I am assured that the staff of the board are very conscious of the necessity of treating any information of this nature, whether given or received, in a strictly confidential manner, and am further assured that the

board's general practices, ethics and attitude in this regard compare favourably with those of others in a similar position.

My hon. friend's question arose out of a particular case. He was good enough to send me a copy of a letter involved in that case. I do not think it is necessary that I go beyond the answer to my friend's general question and refer to the circumstances of that particular case. But at the worst what happened in that case evidently was a breach of confidence on the part of a certain person, I believe not connected with the board. However, if my hon. friend is interested I shall be glad to show him the correspondence in this matter, for I have made it my business to inquire into it thoroughly and I can assure my hon. friend and the house that no such practice as his question implied would be tolerated for a moment.

Mr. H. R. Argue (Assiniboia): I wonder if I could ask a supplementary question arising out of the minister's statement. I take it from the statement that the Canadian farm loan board, after it has turned down an application, does not relate that decision to the creditors of the applicant?

Mr. Fleming: That is the course that should be followed in all cases. It is one thing, where the applicant indicates to the board a list of creditors and certain indebtedness, for the board to check that information, but that would be a very different matter from disclosing to the creditors of an applicant, after the application has been refused, the fact of the refusal. That, I can assure my hon. friend, would not be tolerated by the government.

TRANS-CANADA HIGHWAY

QUEBEC—INQUIRY AS TO COMMUNICATIONS FROM PREMIER

On the orders of the day:

Mr. Yvon L'Heureux (Chambly-Rouville): I should like to direct a question to the Minister of Public Works. Has the minister received any communication from the premier of Quebec concerning the trans-Canada highway, and will this matter be raised at the federal-provincial conference?

Hon. Howard C. Green (Minister of Public Works): No.

POWER

NOVA SCOTIA-NEW BRUNSWICK—REQUEST FOR ACCESS TO REPORT

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I should like to direct a question to the Minister of Northern Affairs and National Resources. Since the minister announced to the house yesterday that he does not see fit to make public the report of the Montreal Engineering Company, would he consider extending to the members interested the same courtesy that was extended by the late postmaster general to the hon. member for Notre Dame de Grace some few years ago?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): I think in the circumstances, I had better keep to my original answer that in the public interest I cannot divulge this report to anyone at the present time except those immediately concerned.

Mr. Robichaud: Are the members of this house not directly concerned in the matter?

An hon. Member: Answer.

PRIVILEGE

MR. ARSENAULT—CORRECTION OF STATEMENT REGARDING POLITICAL ALLEGIANCE

On the orders of the day:

Mr. Neree Arsenault (Bonaventure): Mr. Speaker, yesterday I asked for a correction in *Hansard* and today I have to ask for another one. Yesterday, as recorded at page 567 of *Hansard,* the hon. member for Quebec-Montmorency said that I ran my whole campaign as an independent candidate. This is not true. I ran as a Progressive Conservative.

Mr. Speaker: Order. I remind the hon. member that the corrections which are made at this period are corrections of fact in the text of *Hansard,* and any correction of a statement to which he takes objection would be more properly made immediately after the statement is made in the house.

GRAIN

MEASURE TO PROVIDE CASH ADVANCES ON FARM-STORED GRAIN

The house resumed, from Wednesday, October 30, consideration in committee of Bill No. 14, to provide for advance payments for prairie grain prior to delivery thereof—Mr. Harkness (for Mr. Churchill)—Mr. Courtemanche in the chair.

On clause 10—*Lien on grain.*

Mr. Aiken: I should like to say a few words on this clause, Mr. Chairman. Since I am from a rural riding in Ontario, I was pleased to see the government notice of motion with regard to a measure concerning general agricultural products on today's order paper.

It seems to me that under this particular bill, when a producer applies for an advance

on a certain number of bushels he is in fact selling a number of bushels of grain to the board. Since the board cannot accept the grain he is offering to sell he has to store it in his own storage place. He no longer owns the grain but is holding it for the board. I believe that somewhere in the bill it should be made clear that the producer is actually holding this grain in trust for the board. The minister may feel that the bill is sufficiently clear, but I do feel that the position of trust in which the producer is placed should be clearly stated.

Mr. Hansell: Mr. Chairman, last night before we adjourned I listened with a great deal of interest to the discussion that was taking place on this particular clause. I listened to some of the objections which were made from this part of the chamber, and I listened with interest to the minister's replies. What I have to say now does not call for any particular elaboration of the minister's reply, but it does appear to me now that the bill is not quite as rosy as it first appeared to be.

When the resolution was first introduced and some publicity was given to the measure across the country, the impression was left that the wheat farmer was now going to receive some spending money. He thought he would be able to buy a few new things; that he would not be quite so hard up now as he might have been had the advance payment idea not been brought forward.

I believe it is obvious to all, Mr. Chairman, that there are two classes of farmers so far as this particular piece of legislation is concerned. There are those who are well enough off that they will not have to take advantage of this legislation. I do not know how many farmers of this type exist, perhaps not very many, but there are some who are sufficiently well off that they do not have to take advantage of it.

The other class of farmer is the farmer who has not any money, the small farmer, the farmer who is hard up and has been hard up. If this bill was intended to furnish some ready cash to the farmer who is hard up, it does not meet the situation. It does not meet the situation by reason of the fact that if there are any liens against the farmer's wheat, which certainly would apply to those farmers who are hard up because they are the ones who have had to go to the banks and borrow in the past or perhaps incur some other financial obligation, by reason of this clause the bill will aid the creditors and not the farmers who need the money.

I know, of course, the minister's argument. So long as these liens exist and this legislation does not by-pass those liens, the farmer who is hard up is better off in so far as he will be able to get 50 cents a bushel for his wheat to help pay off his debts.

That does not give him any ready cash just the same. I want to make that observation because I am afraid that now the bill is falling far short of what the farmers expected and of the impression that may have been left during the election campaign when the speakers on behalf of the Conservative party were so anxious to get into office and made the promise that they were going to take care of the poor farmer.

Mr. Harkness: In reply to the hon. member, Mr. Chairman, I would just say that this bill does not fall short in any respect of what most of the farmers expected and what they were led to expect. This bill, of course, does not provide cash, as has been pointed out several times in this debate, for the man who has no grain, such as the man who was hailed out or flooded out or who for any other cause did not produce any grain. This bill does not help him because he has not any grain on which to make an advance.

But as to a farmer who has a considerable number of debts to the people to whom he owes them—whether it is the municipality, the men who threshed his grain or the hail insurance board which gave him hail insurance, any liens along that line—naturally the bill cannot be of such a nature that it will cut those people out of their right to secure part of that farmer's grain in order to discharge their claims. I hope that no hon. member in this house is trying to maintain that we should bring in legislation which would make null and void the ordinary civil rights which farmers and others have in their respective provinces and that their creditors have against them in those provinces.

Mr. Harrison: Mr. Chairman, I have listened carefully to what the minister has said just now and I also have in mind the fact that this legislation is supposed to meet an emergency. However, in emergencies you do not take the line which the minister has just taken. In my opinion, nobody is better qualified than is the farmer himself, to say just what he should do with the money. Individual cases vary. He himself is best informed as to where that money should go.

Here is the main difference between this piece of legislation and that which was put on the statute books the year before last by the previous administration and which was criticized by the present government as a loans act because it contained an interest clause. In that particular legislation interest was provided for; under this legislation the money is interest free. But in the previous

legislation one thing was determined for sure, that was that the money would definitely go to the farmer, that it would get into his hands and that he himself would decide where it would go. This is not a loans to farmers act or an assistance to farmers act or an advance to farmers act whatever. It is a cash advances to farmers creditors act or a farmers creditors assistance act. The farmer is the last man who is considered here. Anybody can put in a lien against the farmer with the elevator company—and the municipalities will certainly do so—with the result that the farmer will get what is left after everybody else gets through with it. This is not the kind of legislation that is going to do any particular good in the west.

I have had experience in doing business in western Canada and have done business with farmers on a credit basis many times. Many of them still owe me money. If I wanted to take advantage of this act I could put liens against prospective borrowers under this scheme. This is not the answer to the problem of putting cash in farmers' hands. This piece of legislation has been built up with a great deal of ballyhoo and window dressing. The Minister of Northern Affairs and National Resources tells us that this legislation may put $186 million in the hands of western farmers; it will do no such thing. In fact, it will be rather hard to decide just what money this legislation actually will put in the hands of the farmers by the time these creditors get through reckoning up what they want.

I think the government had perhaps better bring in an amendment to this part of the bill and change it to make sure that this money gets into the farmers' hands if they are concerned for the farmers in the west. In this debate they have said that they know the farmers are honest. I think the first concern of any farmer is not only just to pay his bills but to keep his family alive. With the type of crops that some of them have had this fall, where either through drought or through conditions which prevailed through the northern part of the province where they have had seven weeks' or eight weeks' of rain in a row, their crops are completely deteriorated and they are in difficulty. If they can get this money it should be put in their hands and they themselves should decide what they should do with it. There should not be built into this legislation the provision that everybody else gets his first and the farmer gets his last.

Mr. Diefenbaker: Mr. Chairman, I think the statements that have just been made should be answered. The total amounts that were secured by the farmers in western Canada during the two years that the interim financing act was in effect were, in one year, $8 million and, in the other year, $4 million. That was the total amount in those two years. The smallness arose from the fact that the farmer was obliged to pay interest. My hon. friend now says that this act will not be effectual because of the fact that amounts which are owing to creditors would naturally be subject to payment. All I can say in that regard is that there is in the federal parliament no power in any way to disallow liens and their effectuality, for liens and other charges are matters under provincial jurisdiction. It is a strange attitude that my hon. friend takes. He votes for the legislation but he says it is not going to be effectual. He points out that last year and two years ago the loan legislation was effectual. To me the position which he takes is not understandable in view of the figures, $8 million in one year and $4 million in the other.

This legislation before the house today is the legislation in effect that is asked for by the farm organizations in western Canada. I am not going to read them but I have before me the recommendations made by the western farm organizations and in particular the one in Saskatoon in October, 1955 which asked for cash advances. The position taken by my hon. friend is a strange one. My friend the hon. member for Melville left the impression that if the former government had come into power this legislation providing for cash advances would in fact have been introduced. At least, that was my understanding of what he stated the other day. My friend the hon. member for Meadow Lake says that a claim such as he would have as an oil dealer would be another charge. That is not so. The only possibility of any creditor having a charge as against the credit of any farmer in western Canada would be either under a writ of execution or under a bill of sale or a chattel mortgage given at some time during the year. As to the bill of sale, it would only be effectual if it was actually entered into after the harvesting began and the cutting had been done.

From my interpretation of the attitude of the western farmer, as expressed since this legislation was brought in, there is general appreciation of the fact that this government acted, whereas in the past two or three years in the face of almost universal demand for action in this regard in western Canada the members of the previous government, for reasons known to themselves, did not act. As a matter of fact one of the excuses given for not acting was that given in 1955 by the hon. member for Rosthern. He made several speeches in this house in this regard in 1955.

His contention was that if cash advances were introduced they would destroy the wheat board and that this general demand for cash advances would interfere with the operation of the wheat board and would in fact constitute its destruction.

The other day he said we did not go far enough, we only went half as far as we should have gone. I do not understand that inconsistency. I believe this legislation, as far as it is practicable within our constitutional limitations, is the uttermost step that could be taken in order to provide the western farmer with an advance on wheat which is as yet unmarketed in consequence of and for reasons which I am not going to go into at this time. Suffice it to say that when my hon. friend states that because he has an oil agency he thereby would be able to interfere, or because somebody owed him for gasoline he would therefore be able to secure any portion of this advance, it is as unwarranted as it is incorrect.

Mr. Gardiner: Since I rose on this point yesterday I think I should say a few things in regard to the statements which have just been made, particularly the reference to what I said on an earlier occasion. I did state in the earlier stages of the discussion that representations had been made last spring by the farm organizations in western Canada to the outgoing government to the effect that they desired to have something done along this line and the decision was then reached that the matter would be further discussed in the autumn. It was stated at that time, I believe, that if the bill which was brought down was in the same form as we had reason to believe last spring it would be, it would naturally be a measure which we would be inclined to support. Even in its present form I would be inclined to say we would support it but I would like to point out to my hon. friend that the argument he has just used is the argument used with regard to the act which did provide for bank loans and if he has not had any complaints from the farm organizations I cannot understand it, because the system set up under the act which was brought in was not in effect for one week before all the farm organizations of western Canada raised a terrific row about the very point he is discussing.

I may say that there is pinned on the wall in every elevator in Saskatchewan, so that everybody who takes in a load of grain can see it, a file of liens against the grain so delivered and right at the top of that list will be the lien for unpaid taxes. This is in accordance with the provincial law. The same kind of argument with regard to provincial authorities and collections and so on was raised when the plan based on the bank loan legislation was being set up.

I happened to be out at my farm at that time and the solicitor for the wheat pool phoned me and asked me if we considered that kind of legislation was going to provide cash for the farmers, because with the possibility of liens being effective the farmers would get very little of it.

Mr. Diefenbaker: Who was that solicitor?

Mr. Gardiner: Mr. Milligan. He asked for a meeting to be called for the purpose of discussing the whole issue and a meeting was called in the city of Winnipeg. The finance people also contacted me and the whole matter was reconsidered and ways and means found of doing away with having these taxes and other liens charged up against the loan. Under the bank loans arrangement, as stated by the member for Meadow Lake, when a man went to the bank to get a loan, if the banker attempted to take any money out of such loan to pay anyone he had no government guarantee at all. Therefore loans made under that arrangement meant that they could not charge anything against them. The banker could not take anything out; the municipality could not take anything out; no one could take anything out.

There would not be more than six or eight hundred dollars involved per person in most cases; some would run higher, but very few. Hon. members in this house who come from the west know that a half section or three-quarter section farmer often owes $450 in taxes or even more and if when he goes into the elevator to deliver his grain or to get his advance, or if when he goes to the bank to get cash the first thing that is done is to take that money out that farmer is not going to be in a position, of his own choice, to pay. The condition with respect to collection in this bill is the same as the other one was prior to change.

When a man drives to the elevator with a load, let us say of 150 bushels of grain, the proceeds from 75 bushels will be charged up to pay off the advance and the proceeds from 75 bushels will be handed to the farmer. No lien can be charged up against that in the sense that a lien was charged before while that transaction is being handled, but under this legislation it can be charged up. I do not think we should put through a bill in this house under a misunderstanding. If the government desires to put it through that way it only adds to the strength of the argument which I have made all the way through these discussions, that the limitations in this bill are greater than they were in the other one.

While my hon. friends are always saying that the amount of money available under this bill is so and so, that is the same argument as was used when we were dealing with the other bill; the money available is so and so but everyone in this house said "What is available is not going to be asked for". If the conditions put in the bill are such that the average farmer looks it over and sees the conditions under which he can get the advance are not satisfactory to him he is not going to go any further. I say there are already too many of those provisions in this bill.

Mr. Harrison: I am in complete agreement, Mr. Chairman, with what has been said by the hon. member for Melville.

Mr. Harkness: In response to what the member for Melville and the member for Meadow Lake have said, to the effect that this bill is not as good as the Prairie Grain Producers Interim Financing Act which the previous government put through, and that there are more limitations in this than there were in the previous loan legislation, all their arguments in this connection really amount to nothing for the simple reason that the previous legislation is still on the statute books and is going to remain there. This bill does not do away with it and it is still there for the farmer who wishes to make use of the interim financing act rather than this cash advance act. He is at perfect liberty to choose. Therefore I cannot understand what these two members are talking about when they attempt to maintain that the loan legislation of the previous government was better than this proposed legislation and therefore the farmers would have been better off if the old system had been continued. That legislation is still continuing and is there for the farmer to take advantage of if he wishes to do so.

Mr. Gardiner: But that legislation does not provide automatically for doing this. That legislation provides that the government has got to take certain action before it does it. The fact that the legislation is on the statute books does not settle all that.

Mr. Harkness: Mr. Chairman, the legislation is in effect at the present time.

Mr. Diefenbaker: That is the point.

Mr. Gardiner: Yes, it is in effect up to a certain time. Further action is required to keep it there.

Mr. Harrison: The Minister of Agriculture has referred to the fact that both these pieces of legislation are in effect; there is no argument about that.

[Mr. Gardiner.]

That does not change the fact, and I say this with all due deference to the Prime Minister—because we have a lot of other things in common even though we do not share the same political faith—that in my opinion in giving his reply to what I said a few moments ago he walked all around the point I made and concluded by suggesting that, well, we will leave it up to the farmers. As I understood him, it is a matter of the jurisdiction of this parliament as to whether the suggestion I made that the money should go direct to the farmers could be made effective. He said we have no jurisdiction to do it and that is why it was not done.

I point out to him that, under the legislation just referred to by the Minister of Agriculture, this was done last year and the year before by this very legislation. It was made effective under that and that money did go into the hands of the farmer and no one could get their hands on any of it until the farmer got it in his hands and decided himself what he should do with it. That is the criticism I have of the present legislation. Irrespective of whether the bank loan legislation remains in effect, the present legislation has been built up before the public gaze as something that will do wonders in the west. That is the kind of window dressing it has been given. It is certainly not going to do wonders if it is not going to get cash into the hands of the farmer because he is the man we are concerned with in this legislation which was designed for the purpose of meeting the emergency situation that exists in the agricultural industry by putting money in the hands of the farmer.

If it is to go to other people, as was suggested by the hon. member for Melville, and if there are lists already on the walls of the local elevators outlining who has liens on the money—particularly municipalities—this legislation is not what it appears to be at all. This is not money for farmers but rather for farmers' creditors.

Mr. Muir (Lisgar): Mr. Chairman, I have been very interested in the last few days in hearing the arguments brought forward by our friends across the way in opposition to this legislation the government is seeking to implement at the earliest possible moment in order that the wheat board can get the money into the hands of the farmers. We have listened to a lot of speeches which would have been more properly made on the debate in reply to the speech from the throne and could very well have been left until after the legislation has been put through. I know that the farmers in my area are anxious that this legislation be put into effect at the earliest possible time and I would like to

make some remarks with regard to a few of the comments made by hon. members across the way.

Several hon. gentlemen rose to say how much better the legislation brought in by the former government is as compared to the legislation before us. I would venture to say that the amount of money borrowed in the past under the bank loans legislation will show hon. members how ineffectual it was as compared to what will be accomplished by the present legislation. Under the bank loans legislation $7 million was spread over the prairie provinces.

Mr. Gardiner: $13 million.

Mr. Muir (Lisgar): As a matter of fact the Prairie Grain Producers Interim Financing Act was supposed to make available to a farmer a loan of $3,000 but the experience was that when he went to borrow that sum he could not get it unless he was worth a great deal more than that sum. The result was that a great number of farmers did not take advantage of the act and they stayed away from it in droves. In effect it was a loan on the farmer's net worth.

It was suggested by the hon. member for Melville the other day that more money would be loaned under the Prairie Grain Producers Interim Financing Act than will be the case under the existing legislation and in reply to the hon. member I would say to let us wait and see the result.

Mr. Gardiner: That is what I suggested.

Mr. Muir (Lisgar): That is a good idea because I do not know of a farmer in Manitoba who would not take advantage of cash advances. Under this legislation the farmer is not given a loan but rather an advance on his grain just as if he had delivered it to the elevator.

As far as having the grain attached for arrears of municipal taxes is concerned, that is unheard of in Manitoba. I thought that under the governments you have in Saskatchewan and Alberta the municipalities would not be able to attach the farmer's grain. If he cannot pay his taxes it works a hardship on him but nothing should be done to take away his livelihood. We do not attach anyone's grain in Manitoba for arrears of taxes.

Mr. Gardiner: You do not grow very much wheat, either, in Manitoba.

Mr. Muir (Lisgar): I will tell you we grow quite a bit of wheat and it is of good quality.

Mr. Gardiner: About as much as they grow in Ontario and Quebec.

Mr. Muir (Lisgar): And furthermore our farmers are smart in that when they have a big pile of wheat they do not grow any more to make the surplus pile bigger.

In Manitoba if a farmer cannot pay his taxes one year then he waits until the next year to pay them and if he cannot pay the following year then he waits until the third year and then the land goes up for tax sale. The good part of this system is that it allows a farmer three years in which to redeem his outstanding taxes. I would suggest to hon. members from the provinces of Saskatchewan and Alberta that if they really want to help the farmer and make sure all the money that will go out in the form of advances on grain will find its way into the hands of the farmer they had better suggest to the provincial governments adoption of the system of collecting municipal taxes in existence in Manitoba.

The government has introduced cash advances so the farmer will be able to get the money he needs at harvest time or as shortly thereafter as possible. It is going to be late this year for two reasons. In the first place we were not sitting in the early fall and in the second place our friends across the way are doing so much talking about it. Under this legislation it is just a matter of advancing the money the farmer would ordinarily receive when he delivers his grain to the elevators. There is no question of interest on it nor should there be because it is money being paid to the farmer for his own produce.

I suggest to the hon. member for Melville and to my other hon. friends across the way that our farmers are going to be very happy about this legislation. I know no farmer in my area who would have any reason for not taking advantage of the cash advances being introduced in this legislation.

Mr. Stefura: I was glad to hear the Prime Minister's explanation concerning liens today because I was not able to receive one from the Minister of Agriculture yesterday and I am pleased to learn that provincial, threshers' and municipal liens will take precedence over federal liens. However, there is one question I would like to ask. If there are liens against a farmer's grain will the federal government advance cash to him if his grain is already covered by a lien from some other source?

Mr. Harkness: Mr. Chairman, as I explained yesterday this is an advance and not a loan and therefore what applies to one does not apply to the other. When the advance is made it is just an advance payment for grain which is going to be delivered under the farmer's quota during the course of the crop year and every charge which would normally be collected against that

grain under provincial law naturally has to be taken into account as far as the advance is concerned.

All of this argument which has been going on here this afternoon on the part of various opposition members, and which was going on before the house closed yesterday afternoon, really amounts to an argument that there is no use in a farmer delivering his grain at all if he has any debts. That is the logical end of that argument and it is really what the argument amounts to; that if a farmer has debts there is no use in his delivering his grain. If you are going to take that position, then I think you had better say that any farmer who has debts had better go out of business and forget the whole thing.

What does the farmer want to deliver his grain for? Why in many cases does he want the advance if not to discharge some of those debts which make it impossible for him to carry on in a reasonable manner? In most instances that is the very reason why he wants to get the advance. It is to pay the storekeeper, the threshing bill, his taxes, and so on. As far as the argument is concerned that he is not going to get enough cash to do this, which was put up by the hon. member for Melville, or the hon. member for Meadow Lake, one or the other as I pointed out on second reading of the bill, the farmer who has only 50 specified acres will still get as cash in hand under this scheme, if he had No. 1 northern we will say, about $370 from his unit quota, the initial amount that he could deliver, and then he is eligible for a further advance of $150. Now, that is the man who has only 50 specified acres and, of course, it goes up from there.

In other words, this is a scheme which is designed to put a reasonable amount of cash in a farmer's hands, even though he is not able to deliver any grain beyond the unit quota which, of course, he has done in most instances already. It is a scheme which is specifically designed to help the small farmer. In these circumstances, all these extraneous arguments which have been raised in regard to farmers who have debts I do not think really are applicable and certainly in that regard, I repeat, it is an argument that a farmer who has debts might just as well not deliver his grain at all.

Clause agreed to.

Clauses 11 and 12 agreed to.

On clause 13—*Default.*

Mr. Argue: This is the clause which defines the various instances in which a producer, having taken a cash advance, may be in default. Subclause (a) says that he may be in default within 10 days after the date on which the board mails or delivers or causes to be mailed or delivered a notice stating that he should pay his advance.

A second instance in which a man may be in default is that of a producer who has not applied for a permit book before the 15th day of September. That, of course, means that on that evidence itself the farmer is no longer in business. That would be the reasoning and I have no objection to it. But subclause (c) says that a producer may be in default if:

> Before the 31st day of December in the new crop year immediately following the crop year in which the advance payment was made, or such later date as the board may authorize in special cases.

That is to say, if the producer has not paid his advance by December 31, apart from whatever special cases may be allowed, he is automatically in default. I suggest, Mr. Chairman, that the minister should move for the deletion of subparagraph (c). It seems to me that a man in default is adequately defined to meet every instance, apart from this. The only time in which a man would be in default under this subparagraph, or the most frequent time, is if he has not had an opportunity to deliver his grain against the advance which has been made. I am sure the minister will not say that this is not a situation that is likely to arise, because the conditions that would arise under this situation are likely to be quite prevalent on December 31, since today about three-quarters of the marketing points in western Canada are on a unit quota, which means they are not under a quota at all so far as this legislation is concerned.

Therefore, with the clause in the bill as it now stands, if a producer on December 31, for example, has had an opportunity to deliver only four bushels of grain, because the quota and space were not available, and if you get on into December when the unit quota is still in existence and there is no standard quota, unless there is a big change in the grain situation it is quite probable that thousands of producers will be automatically in default under this subclause on December 31, through no fault of their own.

It seems to me that with the other clauses as they stand the government, the treasury and the public are adequately and completely protected. Under subclause (a) all the board has to do is to mail the farmer notice saying he is in default because he has not delivered his grain against the quota that exists; but if there is no quota in existence I submit there should be no clause which says the producer is automatically in default.

Mr. Harkness: Mr. Chairman, I think the fears of the hon. member for Assiniboia in regard to this subclause are not justified. To begin with, if he will look at the last part of (b) he will see that it says:

—or such later date as the board may authorize in special cases.

What was in mind when this legislation was drawn was that if after 16 months—remember, this December date is 16 months probably after the man got his advance, so there would have been a double period of deliveries from the time he could start getting the advance up to this time—if during that period he had not been able to deliver the grain because sufficient quota was not opened up for him, then this "or such later date" would apply.

Mr. Marler: It might apply.

Mr. Harkness: Well, as a matter of fact, the general intent, as I say, of the legislation and the way in which it will be administered is that that will be the situation.

In addition to that you have also clause (2) which reads:

The board may for any cause it deems sufficient waive any default for a specified period, and where a default is waived it shall, for the purposes of this act, be deemed to have occurred at the expiration of such period.

In other words, this clause is added specifically so that if there are any situations such as were envisaged by the hon. member for Assiniboia the man would not be declared in default or the default would be waived. Therefore I do not really think that the fears he has expressed are applicable and justified.

Mr. Argue: Mr. Chairman, it seems to me it is not only a case of whether injustice may or may not in fact occur, there is much more involved in this clause being in here than just that, it is the whole concept of the rights of parliament, the delegation of those rights to the board, even though I have the greatest respect for the Canadian wheat board as my record amply shows. I respect the individuals on the board because of the job they have done. Even so, I am not satisfied with having such a loophole in this legislation which says that this board may determine whether thousands of farmers are in default under the act. The government is completely protected. The legislation says that if a farmer does not meet a quota he is in default 10 days after he has received notice from the board; if he has disposed of his grain in an illegal fashion he is in default; and if he has not applied for a permit book he is also in default.

I do not know why in heaven's name we should have a clause in the bill which says that when producers cannot market their grain because of the policy in effect at the time tens of thousands of them may be declared in default. It is not good enough to say you are going to give the board the discretionary power to decide whether or not people who, under the definition, are in default through no fault of their own shall have the default waived or the period extended. If this clause had been in a bill being considered by the house a few months ago I would have expected it. I thought it must be an oversight and I can see no reason whatsoever for having it in here. Particularly I see no reason when through an amendment moved yesterday provision was made whereby an advance can be obtained even though the farmer has not repaid the full advance obtained in the previous crop year.

I think the minister should give some consideration to this question. I believe there is a principle involved. If the clause were deleted I cannot see that the government would lose one penny more than with the clause in the legislation, and it does put producers in a very invidious position if it is retained.

Mr. Harkness: Perhaps I should explain to the hon. member that the chief reason why the clause is in the bill is a legal reason. In order that the board may be able to make a claim for losses or what are looked upon as losses which have been incurred some terminal date has to be set. After that date, if the money which the board has advanced has not been repaid, the board is entitled to collect from the treasury for these losses, not only from the treasury but also from the elevator companies to the extent of the losses owed by the elevator companies. The legal officers inform me that you must have a terminal date of this sort to enable the board to make a cut-off and to collect for these losses from the public treasury and from the elevator companies.

As I pointed out before, the next clause certainly looks after any case in which a man is in default through no fault of his own. The hon. member has said that he has confidence in the wheat board, in their fairness and so on. From what he and I know of the wheat board I do not think we will have a single case of a farmer who does not have an opportunity to deliver, and who as a result gets into default 16 months after obtaining his advance where the default will not be waived by the wheat board. I am certain the wheat board will waive the default in every single case.

Therefore, as I say, I do not see why the hon. member or anybody else needs to be disturbed because of this provision. On the other hand, if the clause is not in the legislation the wheat board is put in a more or less

impossible situation with regard to being able to set some cut-off date in order to determine losses and to recover the money to cover those losses from the treasury.

Mr. Argue: If that is the intent of the minister and the government, and I have no reason to believe it is not, why should the minister's thoughts not be placed in the clause? If a farmer has had an opportunity to deliver the 6-bushel quota and the 31st day of December comes along and he has not delivered his grain, then I am quite prepared to say that he should be in default; but if the 31st day of December comes along and he has not had an opportunity to deliver his grain then no board, even a board as high in our esteem as the present Canadian wheat board, should have the power to say that that farmer is in default. That is a power that does not need to be in the hands of the Canadian wheat board and should not be placed in their hands. If the minister would amend the clause to say that the farmer will be in default on December 31 provided he has had an opportunity to deliver grain against his advance, then I would be perfectly satisfied.

Mr. Harkness: All I can say to that is that we had great difficulties as far as the drafting of the bill was concerned. A very considerable battery of legal talent worked on the matter and after trying all sorts of different drafts they came up with this clause as the best one possible in order to cover these various contingencies.

Mr. Lambert: In that connection I would respectfully point out to the hon. member for Assiniboia that if subclause (c) is not included as it now stands the board would not have the power to extend the period in order to provide for precisely the case that the hon. member mentions. This clause allows the board to extend the time, in my estimation, whereas if the hon. member's suggested amendment were inserted there would be automatic default.

Mr. Marler: Why would there be automatic default?

An hon. Member: If you are a lawyer you had better go back to school.

Mr. Lambert: I suggest that as the clause is drafted it will permit the board to grant these extensions. Otherwise the board has no discretion whatsoever.

Mr. Quelch: I wonder whether the minister would say what his objection would be to the inclusion of the clause suggested by the hon. member for Assiniboia, namely, provided the farmer has been permitted to deliver the specified quota. That would certainly clarify it and would remove any suspicion on the part of anybody that the board might declare a farmer in default due to the fact he had not been able to deliver grain.

Mr. Gardiner: Mr. Chairman, I think because of a previous provision in the bill we are missing the main point altogether in the discussion. The important fact in connection with this is that on each of these occasions a 6 per cent interest rate comes into effect when the farmer becomes in default. As I said earlier in the discussions, 6 per cent interest is a higher rate than any Canadian government in recent years ever imposed in connection with any money that has gone to the farmer.

When we were discussing the other measure before, hon. members in the two corners of the house at least said that the rate should not be any higher than the 3½ per cent in effect at that time on money borrowed by the wheat board. Now the rate is 4¼ per cent. We are boasting now about the fact that there is no interest under this bill. There are many farmers in western Canada who know that 6 per cent interest will mean that they will have to pay more than they have under any other measure, particularly when you take into consideration the administration costs, part of which they will have to pay eventually.

Mr. Christian: I should like to make a suggestion with regard to the matter of default, particularly under clause 13 (1) (a). This matter can be very important as far as the farmer who is the recipient of the money is concerned. It would seem to me that you could have a case where a written notice would be sent out and would not actually be received by the recipient. I would respectfully suggest that such notices should be sent by registered mail because in the ordinary course of mail delivery such notices can go out and in many cases not be received by the recipient at all. From the point of view of protection of the producer, I think the notice should be sent by registered mail.

Mr. Nicholson: To come back to subclause (c), while the minister apparently has had legal opinions from his department or some departments I am sure he has not had the very capable legal opinion of the Prime Minister. Several years ago when we were considering legislation in connection with defence production the Prime Minister argued successfully that powers of this sort should not be written into the laws of Canada when we do not intend to act on them. Let us consider the situation if this legislation had been in effect a year ago. There were many farmers who were not able to deliver a 6-bushel quota last year and judging by the

movement of grain at the present time they would not be in a position by the end of December this year to retire their obligations under this sort of legislation.

I submit that the argument made by my colleague, the hon. member for Assiniboia, has not yet been answered. We should not write into a statute a provision such as has been outlined here unless it is clearly stated that the provision will become effective only when the man has been given a chance to deliver his 6-bushel quota. Now that the minister has had an opportunity of considering this further I hope he will agree to having one of his colleagues move an amendment along the lines suggested by the hon. member for Assiniboia.

Mr. Harkness: If I thought that there was any necessity for an amendment I would be glad to have one made. All the legal advice I have had by highly qualified people is that this provision covers the situation. As a matter of fact, it is not only the inability to deliver the full quota which is covered by this provision as written, it is the failure to deliver for any cause over which the farmer really has no control, such as a railway strike or a bridge being out between him and his delivery point, or the loss of the grain by a prairie fire, or something along that line. These things could be all covered by this clause and the board is able to waive the default which has occurred as a result of any of these reasons which were really not the fault of the farmer or which were not attributable, we will say, to the deliberate failure of the farmer to deliver grain.

Actually the legislation as drawn, as I say, is I think perhaps broader so far as covering legitimate reasons for non-delivery of grain than the hon. member for Assiniboia, and some others, had in mind when they were speaking on this matter because they were talking entirely about the quota.

In connection with the quota, I would also mention that half of the 6-bushel quota may not be enough to discharge the whole of the cash advance if it is low quality grain. On the other hand, if it is high quality grain the cash advance would be discharged before the 6-bushel quota was fully delivered. If a man had No. 1 wheat he would pay off the advance perhaps after he delivered a 5-bushel quota rather than having to wait until he delivered the 6-bushel quota.

Mr. Schulz: All we are asking is the removal of any doubt in this clause concerning the farmer's inability to deliver grain. Perhaps if I were to give an example, it would be helpful. When I was speaking on the address in reply to the speech from the throne I said that at least 65 per cent of the farmers in my constituency have not delivered one bushel of wheat in the new crop year. Now that three weeks have passed, perhaps the number has been reduced to 50 per cent. However, we have only two more months to go to the end of the year when this clause will come into effect.

Mr. Harkness: No, no, it would not come into effect until a year after that; that is the point of which some hon. members have lost sight. There are sixteen months provided for the man to deliver his grain.

Mr. Schulz: The clause says six months after the end of the crop year, so the time would run out on December 31. There is still 50 per cent of the people who have not delivered one bushel. The other 50 per cent of the people who have delivered the first part of their quota will need another three months to deliver the remainder of their quota. All we are asking is that the man be given a chance to deliver before he is declared guilty.

Mr. Harkness: I think I should point out that I feel the hon. member for Springfield is confused as to the time provided for making deliveries. If a man were to take out one of these cash advances as soon as this legislation is passed, we will say ten days from now, he has until a year from the coming December to make delivery before he is automatically declared in default. If the non-delivery results from something over which he had no control the waiver clause would come into effect. It is not a matter of the crop year beginning in July and running to the following December, it is the December a year from then.

Mr. Johnston (Bow River): I think further consideration should be given to this amendment suggested by the hon. member for Assiniboia. The hon. member for Acadia, too, expressed the hope that the government would give the amendment some consideration. It is quite clear from the bill that if a farmer is in default as at December 31 he is liable for the penalty. It does not make a bit of difference, and the Minister of Agriculture knows this as well as any member of the house because he has been here long enough to know, what the Minister of Agriculture says he thinks the bill means; it certainly would not make a bit of difference in a court of law what any of the lawyers in this house might think it means, the actual test comes when the court makes a decision based upon the wording of the act.

Certainly there can be no doubt that there is a great deal of ambiguity in the wording of the bill. The minister may say he does not believe the board would do this, but that is not good enough. There is a doubt here, and the least the government can do is to give the matter consideration so the farmer will not be placed in this precarious position when December 31 comes around. There is no purpose served by saying, "It is the opinion of my law officers"; that does not help a court to solve the problem at all. The court is not allowed to take what is reported in *Hansard* in deciding a case; the court must take the wording of the act as the court finds it. When the wording of a clause is in question, as without a doubt it is in question, then some steps should be taken to clarify it.

Mr. Harkness: The hon. member for Bow River has been expressing legal opinions—

Mr. Johnston (Bow River): No, he has not.

Mr. Harkness: Yes, that is what they were; they were legal opinions, and I must say I have much more confidence in the legal opinions which have been expressed to us and to the wheat board on these matters by the law officers of the crown.

Mr. Marler: When the minister says he is relying on the law officers, of course that is merely another way of saying that the law officers have drawn this clause in this particular way to the best of their ability. I do not believe anybody will quarrel with the drafting of the clause, but what we are quarreling with the minister about is the effect of subparagraph (c). It seems to me, Mr. Chairman—hon. members know that I do not represent a farming constituency—that the cases provided for in subparagraphs (a) and (b) are quite clear. If the farmer does not deliver his grain when he is called upon to do so then he is in default; that is something that depends on him. If he does not apply for his permit book, as provided in subparagraph (b), he is also in default; that is something else that depends on him.

So far as subparagraph (c), is concerned, however, he may, as hon. members have pointed out, be unable to deliver his grain because he has not been asked to do so, yet what he received as an advance will become a loan which he is obliged to repay. As my colleague the hon. member for Melville pointed out, he becomes liable for interest also. It seems to me that the minister is trying to sidestep the issue by placing on the law officers the responsibility for the drafting of this clause. Surely the minister could change his thinking about the clause and ask the law officers to draw up something in the way of a subparagraph (c) that would meet the objection that has been raised and avoid changing these cash advances into loans which have to be repaid.

I would feel a certain sense of apprehension if I were receiving one of these cash advances not knowing whether I would be able to deliver wheat or barley or oats accordingly and that some day, on the 31st day of December of some year, if the wheat board so decided, I would be liable to repay the money I had obtained. It seems to me that as the government says this is a cash advance it should stand behind the representation it has made.

Mr. Bryson: The hon. member who has just taken his seat made the point that I wanted to make. However, I should just like to say this. Unless you are going to notify these people who have obtained cash advances that they can now deliver to an elevator, as is done in the United States where a man who has a lien from the C.C.C. is notified that on a certain day he is to deliver his grain, you put the farmer in an untenable position. On the other hand, I do not see how you can do it under the quota system and with the shortage of space. I do not think you can do it and be fair with other people. But unless you do it you are placing the farmer in an untenable position because of the fact that we are going to be faced with this quota system.

I think the minister will appreciate the fact that a great many people who will take advantage of this loan—I still call it a loan in spite of the arguments that have been put forward by the minister—are going to have terrific difficulty in getting their quota to the elevator. I do not need to tell the minister what happens. He is as well acquainted with what happens in western Canada as am I. On a one-bushel quota in my area, I have known instances where a line of trucks have stood in front of an elevator for literally weeks waiting to get in. As soon as those trucks are unloaded, the elevator space is full. Are you going to penalize a man who may be in default for the reason that he just has not physically been able to deliver? I therefore think you are placing the farmer in an impossible position when you are going to call him in default under such circumstances. I think some consideration should be given to implementing the sort of amendment that was suggested by the hon. member for Assiniboia.

Mr. Harkness: Mr. Chairman, I should like to reiterate that nobody is going to be placed in any impossible position having regard to this clause concerning delivery. To

begin with, the chances are that in the vast majority of cases, if not in all of them—and we think it will be true in all cases—the farmer in this 16-month period approximately will have had the opportunity to deliver. If he has not had the opportunity to deliver during that 16-month period the situation, I will admit, is going to be extremely difficult indeed. But if he has not had the opportunity to deliver and, going even further than that, if he has not been able to deliver, as I say, for some other reason over which he had no control, such as losing his grain by fire, then the provision exists that default will be waived and he will not suffer anything as a result of that inability to deliver. I do not see how you can go any further than that. In other words, I think the legislation goes just as far as it can possibly go in order to ensure that a farmer who is not trying to beat the thing will not suffer anything in the way of interest which the hon. member for Melville mentioned. The only reason for the six per cent interest provision being in there is to serve as a deterrent against people who, just through carelessness or some other reason, failed to deliver. But I really do not see how the legislation can go any further than it goes in looking after and protecting the interests of the farmer and ensuring that provisions are there under which, if he is not able to deliver, he is not going to suffer because of that fact.

Mr. Quelch: The bill says that the wheat board will be authorized, if it so desires, to take action. It does not definitely say that, in the instance such as that given by the minister, the default will be waived.

Mr. Harkness: Subsection 2 states as follows:

> The board may for any cause it deems sufficient waive any default for a specified period,—

Mr. Quelch: The word "may" is used.

Mr. Harkness: Yes. The words "may" and "shall" are taken to be more or less synonymous in most of this legislation. I have heard this argument many times previously in the House of Commons in regard to "may" and "shall".

Mr. Quelch: Is that a legal opinion we are getting now?

Mr. Harkness: No, it is not a legal opinion. I just say that I have heard this argument quite frequently in the past.

Mr. Johnston (Bow River): And you put up the biggest argument against it.

Mr. Harrison: Mr. Chairman, I think the minister was a little bit unfair in the assessment he made a few minutes ago of the remarks made by the hon. member for Bow River. I do not think he was expressing any legal opinion. I think most of the members from the west either are farmers or have the outlook of farmers and they could not care less about legal opinions. They are not too greatly concerned whether or not these legal niceties meet with the approval of the bar association. What they are interested in is that the farmer will have something by means of which he is protected and something that will work, and that no impasse will occur in the future that will put the farmer in an embarrassing position. If that requirement can be satisfied here, I think we can get along to the next clause.

Mr. McCullough: Mr. Chairman, I want to agree with and support the contention that has been made that this clause puts the farmer in an untenable position. I agree with the expression of opinion that subsection 2 of the clause is needed. But I want to point out to the minister that I think this is permissive. While he tries to point out that for the purposes of the board in the way of collection they need a cut-off date at December 31, the farmer who is in default because, as the minister has pointed out, he may not have been able to deliver his grain in that six-month period automatically becomes in default through no fault of his own or quite conceivably through no fault of his own.

In view of the fact that there has been widespread disagreement with this, many of us say that while the board needs some protection in the operation of this act we do not think it is fair to put the farmer in the untenable position in which, through no fault of his own, in circumstances such as the minister has pointed out—either through lack of box cars, lack of delivery, weather conditions or any other reason,—where he will face the threat of being declared in default of making delivery and settling his account.

I suggest that the minister take into consideration the idea that has already been put forward. If we had an additional amendment to this section of clause 13 to indicate that it was not at the discretion of the wheat board I think it would meet the situation.

I think the Prime Minister should take cognizance of this matter because he is one who, as the hon. member for Mackenzie has pointed out, over the years has said that parliament should not allow discretionary powers to be vague but that in an act we should have a definition of exactly what is the situation. I therefore suggest that if through no fault of the farmer or a recipient of this advance delivery has not been made, it shall be so stated in the legislation so that the

farmer will not be labouring under some apprehension that he might be, at the discretion of the board, declared in default.

Mr. Quelch: Mr. Chairman, I note that the Minister of Agriculture has left the chamber. However the minister said that the word "may" would be the same as the word "shall". The minister has his legal advisers in front of him. Will he ask his legal advisers now whether in their opinion the word "may" means the same as the word "shall" in this case?

Some hon. Members: Carried.

Mr. Quelch: In other words, is it not merely discretionary?

Mr. Churchill: I did not catch the last word used by the hon. gentleman.

Mr. Quelch: Is not the word "may" here discretionary rather than mandatory?

Mr. Churchill: I think it is normally considered to be discretionary. But, as the Minister of Agriculture pointed out, the question of the use "may" and "shall" and its interpretation has been raised in the House of Commons in the past. I think the hon. member's question should more properly be directed to the Department of Justice in order to get a final opinion on it.

Mr. Sinclair: Let us refer the bill to the Department of Justice.

Mr. Quelch: Mr. Chairman, I think we are entitled to a clear definition on this point. The Minister of Agriculture has stated that the word "may" here means the same as the word "shall". Personally I do not believe that for one moment. Therefore I would like to ask the minister to consult with his legal advisers who are in front of him as to whether or not the word "may" in this case does in fact mean the same as the word "shall".

Mr. Churchill: I think I can satisfy my hon. friend when I say that in the drafting of this legislation the intention was that this should be discretionary.

Mr. Quelch: Well then, the Minister of Agriculture was absolutely wrong in his statement.

Mr. Churchill: Oh, I do not think I can agree with that at all.

Mr. Argue: Mr. Chairman, I wonder if I might get from the minister, not a legal opinion—

An hon. Member: An illegal one.

Mr. Argue: Nor an illegal one, but rather an opinion as to what might happen in a specific instance. We know that yesterday the legislation was amended so that a farmer is not now automatically barred from getting a new advance in a new crop year solely because his previous advance has not been repaid. My question is this: assuming a farmer in a given crop year who has had an advance against a six-bushel quota has been able to market a four-bushel quota, will he be entitled to an advance against a six-bushel quota in the new crop year? He has had an advance in one crop year against his six-bushel quota; he has been able to repay only part of it because he has been able to deliver only a four-bushel quota; now will he be entitled under this legislation to a full advance against the six-bushel quota in the new crop year?

Mr. Harkness: The answer to that question is, yes. He is entitled to this advance but he has to have grain to cover it. In other words, the grain which was already used to cover the advance which he has not yet paid off cannot be used in order to secure a new advance.

Mr. Argue: That is quite understandable and quite acceptable. Now may I ask this: if a farmer has been able to deliver only a four-bushel quota and he has sufficient grain to cover a further six-bushel quota and has obtained a further advance under this legislation out of what money will he be able to repay the balance owing from the first crop year on which he has obtained an advance? In other words, how does he pay the balance between the four and six bushels which he was not able to deliver in the initial year?

Mr. Harkness: Out of new quotas which are provided. All I can say in regard to that question is that we are optimistic enough to think that farmers are going to be able to deliver a six-bushel quota in this coming crop year and in succeeding crop years.

Mr. Argue: Well, Mr. Chairman, I think this part of the minister's answer is not satisfactory and makes the proposition which we are proposing even more important. I say this because if a farmer has obtained cash advances against a six-bushel quota and he already owes against a quota which he has had in the previous year and against which he was unable to deliver, where in the world is he going to get his money before December 31, even on the assumption, and giving the minister the benefit of the doubt if there is any that he is able to deliver a substantial quota in the new year.

He has had an advance which takes up half his initial payment when he delivers grain in this crop year; he owes the other half of the

initial payment because he has had the advance from the last crop year and was not able to deliver his full quota. The minister and I will, I expect, be here some months later dealing with this very matter and I can say to him that I think he is all wrong in saying that every producer would have an opportunity to deliver six bushels by next July 31. It was not so during this crop year and it was not so during the previous crop year. Our sales are down compared to the previous crop year and I think the Minister of Agriculture in this instance is making a statement that is not likely to be borne out by the facts.

The point which concerns me is this. This legislation, from the definition given by the minister this afternoon, does not guarantee to the producer something which I thought yesterday it guaranteed, that is to say even the minimum sum of 50 cents a bushel for wheat on a six-bushel quota. As this legislation is being defined this afternoon I can see more loopholes in it and less benefit from it than I originally believed were intended by the legislation, with the amendments that were advanced. There will be thousands of farmers who will have had no chance to deliver a six-bushel quota by July 31 next unless the government and the wheat board take some other extraordinary measures such as off-site storage or sales policies which would match other sales policies in effect today.

I think the explanation of the minister gives me ample justification for moving the following amendment, seconded by the hon. member for Mackenzie:

That clause 13 be amended by adding the words "provided the recipient has had adequate opportunity to discharge his undertaking" after the word "December" in line 19 thereof.

Now I am not a lawyer and I have not the benefit of legal opinion close at hand, but in putting forward this amendment I have used the precise language used in relation to other parts of clause 13. When I use the word recipient and the words "has had adequate opportunity to discharge his undertaking" I am using the words in lines 6 and 7 of subclause (a). I would suggest that if this amendment is accepted by the minister it would clear up the points which we are debating and would certainly not tie the hands of the wheat board in any way except to say to them in legal form that we do not want them to hold a producer in default on December 31 through no fault of his own. I do not think the Canadian wheat board would want authority to do things that should not be done. I am not saying they would misuse it, but I think the wheat board would be happier without that kind of authority in view of the fact that some people are going to say they might use it. In view of the attitude over many years of the members of the government, I think they should be quite pleased that parliament is not delegating discretionary responsibility to a board which that board should not have the power to exercise.

Mr. Churchill: Mr. Chairman, I am coming rather late into the debate on this bill and hon. members will of course understand that I was unavoidably absent on the second reading and when the committee stage was first reached. I would like to thank my colleague, the hon. Minister of Agriculture, for giving me so much assistance on this particular bill.

With regard to the matters raised by the hon. member for Assiniboia, I appreciate his experience with regard to agriculture and I fully appreciate the sincerity of his viewpoint. Everyone realizes, I am sure, the earnestness with which his point of view has been put forward; nevertheless I think the hon. member is attempting to deal with almost everything that could possibly arise within the next two years. There was not a question raised during the course of the debate this afternoon as I listened to it that has not been raised before and thoroughly discussed during the last several months.

I regret that the hon. member was not prepared to accept the very clear explanation of the Minister of Agriculture with regard to the phrasing of this particular clause. As he said, some cut-off date has to be set in order that a determination may be made as to whether or not there are losses which in the final analysis would have to be made good by the treasury. There is no intention to do harm to any farmer; in fact the legislation itself is a clear indication that it is designed to assist the farmer.

The hon. member for Assiniboia is suggesting there may be some difficulty in making a full six-bushel quota delivery during the course of the next 16 months. I hope he is wrong in that and he himself suggested there might be means of dealing with deliveries and the marketing of grain other than those which are now possible. We are not averse to considering other means and we may very well have suggestions to make. At the same time the sales program is being vigorously pursued.

I think the hon. member is a little pessimistic at the moment with regard to what will be the result of the sales of wheat during the course of this particular crop year. It is a little too early to determine that our sales will not exceed the sales for last year. Who is to say whether or not they will? There are

many, many factors involved. There are some areas in which the crops are not as good as they were last year and it may well be that Canadian wheat sales will move more rapidly on the world market than was the case a year ago. The hon. member is not in a position any more than any one in this house to forecast what the results may be or, on the basis of his hypothetical suggestion that in some instances a full six-bushel quota may not be delivered in the course of the next 16 months, to say an amendment should be introduced along the lines he suggested. Let us wait a bit and see what happens.

I think the hon. member is in favour of this legislation and in general approves of the measures proposed. I believe he wants to get the legislation through the house quickly and he wants the farmers to benefit. He has raised several questions and I think with that active mind of his he could have raised many other questions that are not necessarily solved by the wording of this bill. What statute is there in Canada that has not had to be amended at some time or other? No one can foresee every possible factor that will be involved in the application of a statute. We have discussed the problems that were raised this afternoon and decided that this was the best and simplest method of dealing with the situation at the present time. If at the next session of parliament we discover that our sales are not moving ahead as they should or that marketings are not as good as they should be, it would be at that time that I would expect the hon. member to raise this particular problem. He could then say to us, "You are not going to get your full six-bushel quota delivered and there will be many farmers in default on December 31". Let me point out to the hon. member that he cannot forecast the situation now. Also, there are other methods open to increased marketings. Consequently, I think he should let this stand as it is.

The fears he has expressed are on the record and we fully appreciate that he has advanced a fair argument. It may be a good one; time alone will tell. In any event we are grateful for his assistance; but why delay the measure at the present time over something which is not really as consequential as the hon. member has tried to make it appear. I grant it is a good debating point but let us move on because there are other things in this legislation which are more important.

Mr. Argue: Mr. Chairman, if I might reply to the statement made by the Minister of Trade and Commerce I would say I appreciate some of the very nice things he said about me and I will be glad to say some nice things about him in the days that lie ahead provided he proves to be right. However, I would prefer to attempt to close the barn door while the horse is still in the barn rather than try to close it after the horse has gone.

The minister said something which I could not understand at all. I do not know where he got the 16 months for the marketing of the six-bushel quota to which he referred. We are now three months into the present crop year and there are just nine months left in which to have a six-bushel quota. If he wants to add 16 months it is going to take us to the end of February, 1959 and I do not know what his reference to the 16 months has to do with this bill.

The Minister of Agriculture says that after discussing the matter with the Canadian wheat board and others he is quite confident there will not be any farmers who will not have had an opportunity to deliver a six-bushel quota by July 31. The Minister of Trade and Commerce was not nearly so optimistic because I understood him to say he did not expect there would be many points that would not have a six-bushel quota by the end of this crop year, and that is a very different thing.

The Minister of Trade and Commerce asks how I can suggest that all points will not have a six-bushel quota against which six bushels of grain can be delivered. I want to point out to both ministers something about which doubtless they are well aware, that a six-bushel quota being in existence does not necessarily mean the farmers have had an opportunity to deliver the grain. There have been far too many instances in which there have been five or six-bushel quotas which have been largely fictitious quotas because there has been no space in the elevator.

I am concerned over the fact that the ministers are being too optimistic about the present indications and I shall list some of those indications. One is that overseas clearances of barley to date this year are only 5 million bushels as compared with 16 million bushels last year; that overseas clearances for the crop year—

Mr. Churchill: Set out the United States price for barley while you are dealing with the figures. Let us have the picture clear.

Mr. Argue: I am not attempting to argue now, although I may do so later on, as to why this has happened; I am just saying it is a fact.

Mr. Churchill: Well, yes.

Mr. Argue: It is a fact that exports of barley are down and exports of wheat are down in this current crop year as compared with the same period in the last crop year.

Mr. Churchill: And exports of oats are up.

Mr. Argue: How much? Let us have the figures for oats. Come on; let us have them.

Mr. Churchill: Well, let us have them; you are dealing with the figures.

Mr. Argue: It is such an insignificant amount I did not think the Minister of Trade and Commerce should be talking about oats.

Mr. Churchill: Well, they are not down, anyway.

Mr. Argue: Of course the fact is that if you total our exports for all four grains I think you will find they are down by something over 20 per cent, so we do not have to separate them at all.

I believe it is going to be more difficult this year to market even as much grain as we marketed last year. I have two reasons for saying this. The first is that forty per cent of the Canadian points were on a five-bushel quota when we reached the end of July and the outlook this year is even worse than it was last year. The minister can produce the opposite figures if he has them, but I do not think the outlook is too bright. The second reason is that the whole grain system is more congested now and there is less space available than was the case at the beginning of the crop year one year ago.

In the light of the known statistics I do not think the Minister of Agriculture is fooling even himself when he says he does not expect that any marketing point will be short the six-bushel quota. But if the minister is right, as we all hope he is, then why on earth would he not accept the amendment I moved which would not provide any difficulty for anybody?

Mr. Quelch: Mr. Chairman, I rise to support the amendment because I believe it should be spelled out clearly in the act that in the event of a farmer not being permitted to complete his undertaking the default shall be waived. The Minister of Agriculture said that that was covered by clause (2). I drew his attention to the fact that clause (2) merely says that the board may for any cause it deems sufficient waive any default and he said, "Oh, well, the word 'may' is interchangeable with the word 'shall' ". That does not satisfy me for one moment. I then asked the Minister of Trade and Commerce to consult his legal adviser as to whether in this case the word "may" will mean "shall", and he replied, "No, it does not mean shall; it is discretion." That being the case, clause (2) does not give any guarantee whatsoever that in the event of a farmer not being permitted to complete his undertaking default will be waived. If the Minister of Trade and Commerce is so certain that the farmer will be permitted to complete his undertaking I cannot understand why he should refuse to accept the amendment of the hon. member for Assiniboia.

Mr. Jones: Mr. Chairman, I should like to make an observation on this problem in regard to the legal effect of it. It seems to me that the amendment proposed would be restrictive rather than otherwise, for this reason, it would place on the farmer the burden of proving that he could not make delivery for some reason which was beyond his control. The clause as it reads now is much wider than that and will permit the operation of the discretion without placing an unfair burden on the farmer.

Mr. Coldwell: May I ask this question? When we are drafting legislation of this sort do we allow discretion? Is it not a fact that in legislation it does not matter what we may think of any discretionary powers implied in the legislation, the written word prevails. The decision must be made on the words in the act and it is the written word that must prevail. That is why my hon. friend is anxious to get the written word into the bill at this stage. The hon. member says it is restrictive. It restricts the wheat board, not the farmer, and we want to see written into this legislation safeguards for the agricultural producers, the men who market the wheat.

Mr. Marler: Mr. Chairman, it seems to me the amendment which the hon. member for Assiniboia has proposed does not carry out the ideas which he has just expressed, because the words in his amendment are placed after the word "December" in line 13. Unfortunately, that seems to me to have the effect of cutting down the period from 16 months to four months. I would suggest to him that he should look at his amendment again, because instead of the words "in the new crop year" relating to December 31 they relate to the discharge of the recipient's undertaking. So far as we are concerned, while we are sympathetic to the idea which he has expressed, the words of the amendment do not carry out his intention.

The Deputy Chairman: Is the committee ready for the question?

Amendment (Mr. Argue) negatived: Yeas, 24; nays, 96.

The Deputy Chairman: I declare the amendment lost.

Clause 13 agreed to.

Clauses 14 to 17, inclusive, agreed to.

Grain

On clause 18—*Loans under Prairie Grain Producers Interim Financing Act, 1956.*

Mr. Johnston (Bow River): When I spoke on this bill yesterday I indicated I thought the government should give consideration to the dropping of this clause. We have had quite a long talk from the Minister of Agriculture who was piloting this bill through for the Minister of Trade and Commerce regarding the fact that he thought the farmers were fairly honest. I am not disputing that. I also think the farmers are honest. Give them an opportunity and they will pay their obligations when they can do so.

This clause has nothing whatever to do with any loan that any other creditor may have, so far as this bill is concerned, except that which the federal government has as a guarantor for the loans made by the banks. I went to some length yesterday in arguing the case; I do not intend to go over that ground again but I do think it is possible that under this clause those farmers who have found themselves in great need and have had to borrow money under the Prairie Grain Producers Interim Financing Act, 1956, will find themselves in the position where they are going to be required to pay off those liens before they can get any cash whatever from those cash advances. It may happen that they will not get one cent of the cash advance to use for the purpose, as we were told, for which this legislation was intended.

Certainly if this clause means anything at all it means that the farmers who are in great need of cash to pay those small bills which they have been running up over the last few months through no fault of their own will not be able to get it for that purpose. They must have some cash in order to pay their obligations to the local grocery man, or to the local man who has been supplying them with fuel oil for harvesting purposes, or to the butcher. These bills were all run up on the assurance that the farmer would pay them out of the first moneys he got from the disposal of his grain. This bill does not propose to allow the farmer to sell his grain and get the initial payment. It only proposes that he shall get as high as 50 cents a bushel in advance.

It seems to me that the government has not got the same argument under this clause as it had under clause 10 in connection with which the Minister of Agriculture said that the government should not be a party to any legislation which would cause creditors to be put in the position where they could not get the money which was owing to them. He went on to point out that if the farmer owed taxes he should pay those taxes and if there were other liens by the province he should pay those liens.

Surely that puts the farmer in the position of appearing to be dishonest. Irrespective of whether or not this clause stands, if the farmer sells his grain and gets the full 50 cents he is an honest man. I am sure that 99 per cent of the farmers of western Canada are honest, and the farmer does not need the federal government to tell him what to do with the money. If he has certain obligations he is going to take the money and pay his bills that of necessity he has been running up over the last few months. He will use the money to pay the bills of his creditors such as the grocery store or implement man or perhaps use part of it to buy some needed clothing for the children. He is not dishonest and he is not trying to avoid paying his just debts.

But in this clause the government says to the farmer that the very first claim is that of the government. They say to him that out of this 50 cents which was supposed to be so urgently needed he must pay any debt which is owing under the Prairie Grain Producers Interim Financing Act. It does not seem to me that the government will suffer if it waives this clause because it will still have a claim on any other grain that will be produced. The government will have a claim on any grain that the farmer brings in before he gets his full initial payment.

There is no possible chance of the farmer getting out from under his obligation to pay the loan which he obtained under the Prairie Grain Producers Interim Financing Act. The government is fully guaranteed and does not need this clause at all. If the government is going to be bullheaded—maybe that is not the right word but it expresses my feeling—and say, "No sir, we are going to demand our pound of flesh", then I say the government should be at least a little bit charitable and provide that the farmer will at least get 25 cents a bushel for his wheat.

It would be a very simple amendment but the government seems to be reluctant to accept any suggestion from those in the opposition with regard to making any changes in the legislation. Even the Minister of Trade and Commerce and the Minister of Agriculture do not agree on the terms of the act or the wording of the act.

An hon. Member: The interpretation.

Mr. Johnston (Bow River): Well, the interpretation of the act; I will accept the suggestion. That is more than the government

does. I am not arguing at all. The government seems determined to think that the wording of the bill is absolutely correct in every detail.

An hon. Member: Perfect.

Mr. Johnston (Bow River): I can remember not so long ago when the two ministers who are concerned with this legislation were very vocal in some of their protests with regard to legislation brought into the house. I think the government should take out this clause but if it is determined to leave it in I suggest that it might be amended in this way so that it would read:

> Where an applicant for an advance payment is indebted to a bank in respect of a guaranteed loan obtained by him under the Prairie Grain Producers Interim Financing Act, 1956, 50 per cent of the unpaid balance of the guaranteed loan, together with any interest or other charges owing thereunder, owing to the bank shall be deducted from the advance payment and paid to the bank, and the bank shall cancel any endorsement in the permit book made under that act.

That would be a very simple amendment and it would guarantee that the farmer who is in need—he would never have obtained a loan under the interim financing act if he had not been—would be assured at least some money to pay the grocer and possibly have a little bit for Christmas.

I notice also that in this clause the government has been very careful to put in the words "shall be deducted". There is no "may". It is very explicit. There was no doubt in the minds of the lawyers who drew up the bill that the money would be paid. There is no "may" about it. It is "shall". I suggest to the Minister of Trade and Commerce that he should agree to what I have put forward. I hope he will be a little bit more receptive to some of the suggested changes which will benefit the farmer than the Minister of Agriculture has been. Even though the government is determined to keep this clause in the bill, I am sure that if they would see fit to make this change they will get the full support of the house. They certainly will get the support of this group.

Mr. Harkness: Mr. Chairman, the hon. member is making certain insinuations and implications which I think are quite unjustified. As outlined and explained by the Minister of Trade and Commerce a short time ago, we do not pretend and have never pretended that the bill is perfect. In speaking on second reading I said that experience would probably show that we would have to make some changes in it.

Mr. Johnston (Bow River): Where a fault is pointed out to you why do you not change it now?

Mr. Harkness: Up to now I do not admit that fault has been pointed out. As a matter of fact, I think the situation is that in many respects the hon. member has not understood how the legislation is going to work and what the result will be. The whole argument he has just made really is an argument in favour of giving a double advantage to the man who has already taken out a loan under the interim financing act. If we carried out the suggestion of the hon. member it would mean that every farmer who has already taken out a loan of $3,000, we will say, under the interim financing act would be able to get another $3,000 under this legislation. He would be twice as well off as far as getting cash is concerned as the farmer who had not already taken out a loan.

In addition, if we did away with this clause one of the results would be that you would have a situation where a loan had been made on certain grain. If a farmer has taken out a loan on the grain he has threshed this year that grain is security for the loan and the bank has a lien against all of that grain. If you make him an advance on it at the same time you are making an advance without the same security you would have if you made an advance to a farmer who had not taken out a loan. In other words the result would be that you would put the fellow who had taken out a loan in a considerably more advantageous position than the man who had not taken out a loan. There would be another result which would flow from the deletion of this clause. When the farmer came to deliver his grain, he would not get any cash at all because—

Mr. Johnston (Bow River): Could I ask the minister a question?

Mr. Harkness: Just let me finish. When the farmer came to deliver his grain under the interim financing act he would have to give half of that grain to pay off his loan under that act. He would have to give half of it to pay off the advance, so that would mean he would have no cash left for himself at all from his delivery of the grain. Therefore, there would be no incentive for him to deliver the grain.

Mr. Johnston (Bow River): A while ago I understood the minister to say that if a farmer did not want to take advantage of this measure he could still borrow under the Prairie Grain Producers Interim Financing Act.

Mr. Harkness: That is right.

Mr. Johnston (Bow River): Then, why could he not borrow under that and when he got that money apply for his 6-bushel quota for his cash advance? Therefore, when you say one farmer would be getting an advantage over another, that would not necessarily be so.

Mr. Harkness: It is quite a different situation. If a particular farmer has taken out a cash advance, then he has given security of 6,000 bushels of his grain for that cash advance, if he then goes to the bank and wants to secure a loan under the interim financing act he could not use those 6,000 bushels as security to get the loan.

Mr. Johnston (Bow River): I did not say that. I said, why are you telling him, when he goes to the bank—

Mr. Harkness: Mr. Chairman, I think we should have some order. One man at a time on his feet is enough. The point I am trying to make, and which the hon. member does not seem to have grasped, is that it is quite a different situation for a man to have obtained a loan under the interim financing act before this legislation comes into effect, and then come to obtain an advance, which is what the hon. member would like to see, and the situation where a man obtained an advance first, because you would have the same grain pledged twice. If, however, you have a case where a farmer takes an advance and then applies to the bank to get a loan; say he has taken an advance of $3,000 and there is 6,000 bushels of wheat there, he cannot use that as security to get his loan.

Mr. Johnston (Bow River): I agree with that, but that is not what I said.

Clause agreed to.

Clauses 19 to 23 inclusive agreed to.

On clause 24—*Coming into force.*

Mr. McCullough: In connection with clause 24, Mr. Chairman, I should like to ask the minister if arrangements will be made so that this act may be proclaimed and put into immediate operation. I say that pointedly because perhaps the minister will recall that a year ago, when the interim financing act was put into force, there were many areas where banks did not have the necessary forms to enable the farmers to make their applications and take advantage of it. In this case could we be assured that the elevator agents will have proper instructions and proper forms, and that there shall be no delay in putting this measure into operation?

Mr. Harkness: We intend to get this measure into effect as rapidly as it can be done. As soon as it passes this house we will send it immediately to the other place. I understand that the other place will be adjourning, perhaps it has already adjourned, until next Monday so it cannot be dealt with until next Monday. But in any event, as soon as it is passed here and as soon as they finish with it in the other place we intend to get it proclaimed just as rapidly as possible. The officials tell me that they think the forms that will be required, and things of that sort, can be ready within a week or ten days.

Clause agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall this bill be read a third time?

Mr. Churchill: It would be helpful if third reading could be given now.

Mr. Speaker: Is it the pleasure of the house that this bill be read a third time now, by unanimous consent?

Mr. St. Laurent (Quebec East): By leave.

Mr. Harkness (for Mr. Churchill) moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

OLD AGE SECURITY ACT

AMENDMENTS RESPECTING ALLOWANCE AND RESIDENCE QUALIFICATIONS

The house resumed, from Friday, October 25, consideration in committee of the following resolution—Mr. Monteith—Mr. Courtemanche in the chair:

That it is expedient to introduce a measure to amend the Old Age Security Act to increase the amount of monthly pension payable thereunder to fifty-five dollars per month, to reduce the basic residence requirements for pensioners from twenty years to ten years and to increase the length of permissible temporary absences of pensioners from Canada from three to six months.

Mr. Marler: When the minister introduced this resolution last Thursday, he explained that it had three objects. First of all, it would increase the amount of benefit to $55 per month; second, reduce the basic residence requirement from 20 years to 10; and, third extend the length of time which pensioners are free to spend outside of Canada in any year without loss of pension.

Then, he went on to make the following comment, as recorded at page 385 of *Hansard* for October 24, 1957:

In recommending these changes to the house the government is acting promptly to honour the pledges which our leader and our party made to the senior citizens of this country during the recent election.

As I do not share the opinion of the minister with regard to the honouring of the pledges which his leader and the party made during the recent election, I should like to take this occasion to review the promises that were made by the leader of the Conservative party and to examine the extent to which this resolution now before the committee implements those promises. The Prime Minister appears to have dealt with this subject of old age security when he opened the Conservative campaign in Toronto on April 25. According to the Toronto *Star's* report of the meeting, he promised:

> Old age pensions would be set at a figure high enough to meet the needs of our older citizens and would be adjusted from time to time in accordance with changes in living costs. Similar consideration would be given war veterans and retired civil servants.

According to a Canadian Press report of the same meeting, the present Prime Minister said that:

> A Conservative government would set payments high enough to meet the needs of the recipients, with subsequent adjustments to living costs and increases in national productivity.

Or in the words of the *Globe and Mail* which I do not think would be unsympathetic to the government in its account of the meeting:

> Social security benefits would be geared to keep pace with Canada's productivity.

I therefore want to emphasize, Mr. Chairman, the fact that there were three points in this promise. First, the payments would be high enough to meet the needs of the recipients. Second, the payments would be adjusted from time to time to keep pace with increases in the cost of living. Third, the payments would be geared to national productivity. I should like to deal with each of these three points a little bit more fully.

As it is the government which has now fixed the payment to be made at $55 a month, and as the minister himself has said that this measure honoured the pledges which his party made, I think we are entitled to infer that the government considers that a sum of $55 per month meets the needs of our senior citizens. I hope, however, that this determination by the present government will not serve as a pretext for provincial governments to adopt the attitude that the setting of old age security at this amount of $55 a month relieves them of their constitutional responsibility for the care of the recipients, that is to say persons over 70 years of age who are unable to live on old age security alone.

I feel that this point is overlooked by many provincial governments which seem to believe that the institution of old age security on a universal basis has relieved them of the responsibility of caring for citizens who have attained or passed the age of 70 years and who are in need.

The second point of the Prime Minister's promise was that the payments of old age security would be adjusted from time to time to meet increases in the cost of living. As I pointed out earlier, that was a part of the promise made in Toronto on April 25. It was repeated again at Espanola, Ontario and again in Victoria, B.C. on May 21. Let me quote the words of the Prime Minister as reported in the Vancouver *Province* of May 22. These are his words:

> I say to the old age pensioner, to the war veteran, to the retired civil service pensioner, we will provide fair and realistic pensions based on the cost of living and a fair comfort in living.

Though it is perfectly clear from the press accounts of the three meetings that I have just mentioned—Toronto, Espanola and Victoria—that this was an integral part of the Conservative pledge with respect to old age security, I want to add to the record the words the Prime Minister used in a broadcast on May 22, 1957. He said:

> We intend, this September, to call together parliament and there and then fix a fair and reasonable amount for the old age pensioner, indeed for the other pensioners, and also make provision for a formula whereby due allowance will be made in the future for the rising cost of living, providing that it continues.

My friend the hon. member for Essex East put those words on *Hansard* the other day. I have cited those remarks made in three different speeches during the campaign and again over the air in order to show that there was a formal and definite representation to the senior citizens of Canada and indeed to the electors generally that when old age security legislation was introduced in September, as the Prime Minister said, that legislation would embody a provision or a formula by which the amount of pension would be tied in with changes in the cost of living. But notwithstanding that pledge, nowhere in the resolution now before the committee do we see any words that suggest that this is going to be embodied in the legislation. Indeed, I am extremely doubtful, Mr. Chairman, whether, having regard to the language of the legislation, it would now be competent for the government, on the present resolution, to introduce into the bill the very thing that the Prime Minister promised during his campaign, that is to say a formula whereby due allowance would be made in the future for the rise in the cost of living.

Though the minister may think that the government is fully implementing the Conservative pledges given to the senior citizens

of Canada during the campaign, I want to point out that the proposed resolution does not carry out what the Prime Minister promised in this respect. I do not address any personal reproach to him for that fact because, having had the opportunity of going over the newspaper accounts of the Prime Minister's speeches during the campaign, I do not believe the Minister of National Health and Welfare could be expected to have taken account of all the promises that were made because there have been so many of them, and he could not be expected to have a record of all of them. However, I want to emphasize the fact that this was a promise, not made casually but one that was made three times during the campaign at meetings and was repeated again over the radio.

Then there was the third point, namely that the pensions were to be geared to national productivity. I can readily understand how enthusiastic the audience in Toronto would be on hearing that the pension was going to be geared to national productivity which, I suppose, would mean the gross national product. But nowhere in the resolution do we find anything about that matter either. The point I want to emphasize is this. In reading what was said the other day during the course of the discussion of this resolution I noted that one of the government members suggested, "But give us time". Mr. Chairman, this is the sort of thing that should be done now.

The lawyers are perfectly capable of drafting a formula about which the Prime Minister spoke in Toronto. They are perfectly capable of drafting some kind of clause which would, as the Prime Minister suggested in Toronto, gear the amount of the pension to national productivity. But nowhere in the resolution do we find anything either about the cost of living or about national productivity. Consequently, I hope that in these circumstances I may be permitted to differ with the Minister of National Health and Welfare in his assessment of the extent to which the government is carrying out the promises that were made in such explicit terms during the election campaign.

I should also like to remind the minister of another pledge the Prime Minister made, namely that a Conservative government would establish a commission to investigate fully the United States social security program. Let me quote from the account published by the *Globe and Mail* on May 1 of the Prime Minister's meeting at Antigonish in Nova Scotia. Here is what the account says:

> Opening the Nova Scotia phase of his campaign in the agricultural community of Antigonish this afternoon, Mr. Diefenbaker promised that a Conservative government would establish a commission to investigate fully the U.S. social security program. For only slightly increased costs, Mr. Diefenbaker said, the U.S. is able to pay its elderly and retired citizens far greater benefits than the $46 a month received by Canada's old age pensioners.

Mr. Chairman, the minister will have a further opportunity of speaking and I hope that he will tell us then what steps are being taken to implement that pledge of the Prime Minister in connection with old age security.

There is another aspect of this whole question on which I would like to touch and that is the question of cost. The minister has told us that it is estimated that the additional cost resulting from the legislation to be based on this resolution would be about $96 million in the first full year. As I understood him the other day he said that the increase in the amount of the pension itself accounts for $92 million.

Mr. Monteith: Pardon me, I meant the 1958 to 1959 fiscal year.

Mr. Marler: I fully understood that, Mr. Chairman, and that is the reason why, in referring to the subject of costs, I have said what the cost would be in the first full year. Those were in fact the words used by the minister himself and I do not think there is any misunderstanding in regard to the figures he is using. It is on the basis of what might be described as the rate of annual increase in the cost of the pension, but not the portion that would be charged to the accounts for 1957-58.

Mr. Monteith: 1958-1959.

Mr. Marler: Well let us not go on repeating the same thing all over again. We know from listening to television that the additional pension is to be paid from November 1st. I do not find that in the resolutions but that is one of the advantages of listening to television. I was saying that in a full year the additional cost of the pension accounts for $92 million, the reduction in the residence period accounts for $3½ million, and the extension of permissible absences for possibly $½ million, if I may use the very words of the minister. In other words a grand total —estimated of course— of $96 million.

Now obviously we must consider this additional cost of $96 million in the light of all the other associated changes which are covered by other resolutions on the order paper and which I do not propose to discuss. I merely want to mention that so far as these other measures are concerned it seems clear that the additions to old age assistance allowances, to the blind allowances and to the disabled persons allowances will add— if I may make an approximately correct guess

—about another $10 million or 10 per cent of the $96 million mentioned by the minister. So in round figures, and I prefer to use round figures rather than more close calculations, we can see that the changes in the matter of old age security, old age assistance allowances, blind allowances and disabled persons allowances will add an aggregate amount of approximately $106 million in a full year.

I would like to examine these figures in relation to total costs. We have not yet received exact figures for the fiscal year 1956-57 but from the graphs which were printed in the white paper at the time of the budget earlier this year we see that the estimated cost of health, welfare and social security for 1956-57 is very close to $1,050 million. I want to emphasize that that is merely for health, welfare and social security; it does not include payments to veterans. I think there would be good reason for including payments to veterans as part of our social security program, but the figures with which I am dealing at the moment are solely those included in the public accounts for health, welfare and social security under the classification appearing in the beginning of the public accounts each year.

As I say, we start off with this figure of $1,050 million and therefore to determine what are to be the costs of the national program with the proposed additions we must add the increase resulting from the larger number of persons who in this present year will be in receipt of benefits. My estimate of the amount of that increase, after looking at the available figures, is that it will come to probably $30 million. Then we also know that the increase with which we dealt in the earlier part of the current year, 1957, accounted for another addition on the full year basis of the sum of $108 million. We must then add the additional cost of these new measures on the order paper, excluding those in relation to veterans, which additional measures account for another $106 million for the full year.

Now, if these several increases had become effective on April 1 this year the total cost of health, welfare and social security would not be less than $1,294 million or, let us say, $1,300 million in round figures. Now, Mr. Chairman, I note it is six o'clock.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Marler: Mr. Chairman, just before the committee rose at six o'clock I had pointed out that if one were to try to calculate the estimated cost of the program of health, welfare and social security on the basis of a full year the method of calculation would be to start with last year's total of $1,050 million, add to it the increase of $30 million resulting from there being a larger number of persons in receipt of benefits, the $108 million which was voted earlier in this year 1957 and the approximate additional cost of the new measures; that is to say, the additional payments under old age security and the accessory measures, another $106 million. I also pointed out that in round figures the total of those different elements came in round figures to some $1,300 million annually.

I would like to emphasize that of course this does not include amounts paid in allowances to veterans or other expenditures in connection with veterans that come under another classification in the government's expenditures. I want to point out that this total amount of approximately $1,300 million is a very substantial sum of money and to go on to add that it is in fact more than one-quarter of all the taxes paid into the consolidated revenue fund and into the old age security fund, and considerably more that a quarter of the tax revenues that remain available to the federal government after it has turned over to the provinces the amounts to which they are entitled under the tax-sharing agreements.

Of course, many of the hon. members who are now on the government benches and who have been in opposition will realize the difficulty for someone in opposition to make a precise calculation, but from the figures which are available it is possible to say that of every tax dollar retained by the federal treasury more than 27 cents are required to meet the cost of health, welfare and social security.

In considering the aggregate cost of $1,300 million which I mentioned a moment ago we must not overlook the commitments of the federal government in connection with the national scheme of hospitalization insurance which, when in force in all the provinces, will add a further amount of approximately $200 million annually to the cost of health, welfare and social security which are borne by the federal government. Of course, Mr. Chairman, as you will realize there are other costs which are borne by the provincial governments but I am considering at the moment only those which are payable out of the tax dollar which the federal government itself retains after it has handed back to the provinces the amounts to which they are entitled under the tax sharing agreements.

I wish to emphasize that we in the opposition, despite our familiarity with affairs that existed in the earlier part of this year, no

longer have available to us information as to the expenditures which are to be incurred in the current year nor those to be undertaken next year; nor have we any information as to the probable revenues either for this year or for the fiscal year to begin on April 1 next. I mention that date, of course, because we all fully appreciate that the full burden of the increases which have already been made this year and those which are now under consideration will only be felt in the fiscal year 1958-59. In consequence of the situation I have just outlined it is not possible to come to a final judgment as to whether the additional expenditures which the present measure contemplates will fit into the general framework of a balanced budget.

I recall, as other hon. members do, some of the promises made by the Prime Minister during the election campaign. He said that a Progressive Conservative government would carry out its declared policy of increasing old age pensions and of reducing taxes. If I interpret correctly the words he used at Saskatoon he indicated that the costs of implementing these proposals—that of increasing old age pensions and reducing taxes—would be about $300 million. For old age security, old age assistance, allowances to the blind and to the disabled, we are at the moment, so to speak, using up $100 million, so it may be reasonable to expect that the government will make reductions in taxes amounting to some $200 million.

Our difficulties in the matter, Mr. Chairman, are not diminished by the fact that we do not know from the estimates which the Minister of Finance has tabled exactly what expenditures the government proposes to make and, therefore, though I have given much time to the task I have been unable to form any precise estimate of the over-all effect the government's measures are likely to have on the balance of the budget. In the circumstances it seems to me that the responsibility for establishing social security payments at these new levels must rest fairly and squarely on the shoulders of the government and I hope when the Minister of National Health and Welfare speaks later in this debate he will give us a clear statement as to the effect on the national budget of the higher level of the social security payments.

Like Canadians generally I welcome these further advances in the social security program. I think all Canadians welcome advances that can both be sustained and supported by the Canadian people but I hope the government is not proposing to maintain budget equilibrium by reducing expenditures for national defence because I believe that Canadians generally would be gravely disquieted if advances in social security were to be made at the expense of national security.

Before closing my remarks I would like to refer very briefly to the comments of the Minister of Public Works. I thought it was unfortunate that he seemed to feel it necessary to speak about the Prime Minister's personal qualities. So far as I know they have not been in dispute at any time before this committee. We have known him for a long time and during the course of this discussion I do not think the good qualities of the Prime Minister were in dispute at any time. However, the remarks of the Minister of Public Works have been made and I think therefore I should say that having enjoyed the friendship of the hon. member for Essex East for a great many years, both before he became minister of national health and welfare and while he occupied that important office, I know that his interest in the little people of Canada was not surpassed by that of any other hon. member of this house.

Mr. Jones: It did not show through, though.

Mr. Marler: I would add that his interest in the little people has not been demonstrated merely by interruptions or by talk of the kind I have listened to from the other side of the house, it has been supported by a most impressive record of achievement of which any hon. member of this house might justly be proud.

Mr. Regier: Mr. Chairman, before making the remarks I intend to make I should like to offer my congratulations to the new Minister of National Health and Welfare on the great honour that has been bestowed upon him. I must say that when I first heard of his appointment I thought, "What? Another Ontario member appointed to the cabinet?". However, upon further consideration I realized that we in this group have always felt that His Excellency's advisers ought to be the most able men in the government regardless of where in Canada they happen to live and therefore we have no difficulty in congratulating him on his appointment. I am sure that if the new minister will show the same feeling of devotion for the cause of public health and human welfare as was shown by his late colleague, Doctor Blair, he will be serving the people of Canada right well.

This resolution is a vindication of some remarks I made when I was asked to comment on the election results and when I expressed the opinion that almost regardless of what legislation would be forthcoming, the people

of Canada would not fail to reap some of the benefits of the upset that had taken place.

I, along with my colleagues, welcome this resolution. We welcome the increase that is being proposed from $46 a month to $55 a month. We welcome most sincerely the reduction in residential requirements from 20 years to 10 years. This was a promise made by the Secretary of State in the election campaign and I am very pleased indeed to see that the lady member of the cabinet is exercising her influence and that at least her promise in the campaign is being fulfilled.

I regret that in the resolution the government has not seen fit to give notice that the age is to be lowered from 70 to 65 for purposes of the Old Age Security Act. In these days when it is becoming increasingly difficult for our older citizens to find employment I feel that it would have been in the national interest had the government seen fit to lower the age requirement. Incidentally, it would also have saved a lot of money for the provincial authorities across Canada.

I read with some interest the remarks made the other day by the hon. member for Mackenzie River, who referred to the government members as being monkeys, as reported at page 430 of *Hansard*. Well that may be so in his opinion. However, when I listen to Liberal participants in this debate I really wonder who the monkeys are because it seems rather illogical that only a few months ago they asked us to be responsible members of parliament. They claimed that the economy of our country was able to afford only $46 a month. Now they are chastising the new Prime Minister for not making the old age pension even higher. Even the hon. member for St. Antoine-Westmount felt that the Prime Minister was not adhering to his promises and this was not a sufficient amount to meet the rising cost of living and to provide an adequate standard of living for those people. I find the Liberal predicament most amusing indeed. They are already chastising this government for failure to keep its promises; yet the Canadian people will not easily forget that for 38 years the Liberals have promised a national health insurance plan and we have not it yet. Therefore I feel when we begin to compare election promises we at this time are a little hasty if we complain overly much about any failures which might exist in that respect.

I will agree also that within the present framework of monetary and fiscal policies the $55 may possibly be about as far as this government is able to go. This government is unwilling to adopt a new approach to the role and function of government in our economic life. They also, like the former government, prefer to let a few individuals not responsible to the people manage the economy of the nation and therefore within that framework maybe $55 a month is about what we ought to have expected of the government. As my colleague, the hon. member for Regina City, pointed out the other day, and as was emphasized by a number of other colleagues, we feel that our economy is well able to provide at least $75 a month to all of our people at age 65.

The hon. member for St. Antoine-Westmount pointed out at some length the expenses involved at the present time on the part of the federal government on behalf of public welfare and social security measures. I accepted his figures and I did some rather rapid calculation. To him it was becoming a rather serious matter that we were spending four per cent of our gross national production in providing our Canadian people with social security and health measures. To me it does not seem to be a level that is anywhere near the danger point and we in this section feel that a much larger percentage might very well be provided to the most important causes of public health and social security.

When we look at this resolution, Mr. Chairman, we note that it deals only with the amount of the pension that is received by the old age pensioner at the end of his life. I feel that there are other matters that might have been included in this resolution and possibly in other resolutions which are of equal importance to our senior citizens. I look at some of the representations that have been made on this subject by organizations of our senior citizens and I notice that all of them without fail do not ask only for an increase in the old age pension, they all ask for a number of other considerations. I note that first and foremost they place heavy emphasis on health care.

To an old age pensioner an assurance that in his declining years his health, his medical and hospital needs will be met is, I submit, of far greater importance than adding a few dollars to his monthly income. I have spoken to various meetings of ald age pensioners and those meetings invariably agreed that if some measures were undertaken in the field of relieving them of this constant worry they would greatly appreciate it. They are very keenly aware of the fact that sooner or later —and for most of them sooner—they will be needing medical care, they will be needing hospital care and some consideration along those lines is of more importance to them than adding to the amount of the old age pension cheques at the end of the month.

Then I noticed another thing they feel very keenly on, namely that they be supplied with low-cost housing. The other day the hon. member for Nanaimo pointed out exactly what is happening. Since arriving in Ottawa I have had numerous letters to that effect. There is fear and trembling among many of those who live in rented quarters, and most old age pensioners do, as to how much of the $9 increase the landlord is going to grab from them when their incomes are increased by that amount. Therefore I feel that low cost housing for our senior citizens is another way in which they can be helped, a way that might be equally important as an increase in their monthly income.

When the former Liberal government raised their pensions by $6 a month many hundreds of these people in the lower mainland of British Columbia had their rents raised by $5 a month and all that the senior citizen received out of the $6 was $1. I say that the government is doing the exact opposite of what I am now advocating. Under the National Housing Act there are various schemes whereby low rent housing might be supplied for our old age pensioners, but rather than making it easier for more of such housing to be built the government has seen fit to raise the interest rate by another one-half of one per cent on houses built under section 16 of the National Housing Act.

I have always taken some measure of pride in what the government of British Columbia is doing in this respect, action begun by the former coalition government and now continued by the new regime. When low cost housing is built for senior citizens and others with similar low incomes the provincial government pays a grant of one-third of the cost of the building. All that the federal government does is to supply a mortgage on which they collect interest and the interest rate, as I indicated, is now 4½ per cent. In my opinion, if the federal government would match the outright grant made by the provincial government it would go a long way toward reducing the rents that the senior citizens have to pay and making more housing available for them.

I sometimes feel rather keenly when I see young married men, many of whom are earning $400, $500 or $600 a month, living in new $12,000, $15,000 or $18,000 homes which have been built under the National Housing Act with government guaranteed money while our senior citizens who need government assistance have to continue living in musty basements and hot attic rooms in our urban areas.

The argument of the hon. member for Bonavista-Twillingate on the resolution failed to impress me at all. He seemed rather to regret that the government was now going to pay the sum of $55 a month to our senior citizens. In his opinion some of the fishermen in Bonavista-Twillingate were earning less than that. That argument fails to convince. Such an argument is based on the philosophy of tearing everyone down to the level of the lowest, a philosophy to which I have never subscribed. It is the same as saying that we will not allow another immigrant into this country until every Canadian has a home and employment. It is the same argument as saying that we will never pay anyone an income of $5,000 a year until everyone has an income of $5,000 a year. I feel that argument is a rather vicious appeal to the voters of Bonavista-Twillingate. After all, the hon. member for Bonavista-Twillingate was an executive member of a government for many years and if these fishermen had such a measly income as he indicated he has no one else to blame but himself and his former colleagues.

I close my remarks by saying that I feel that the people of Canada, as evidenced by this resolution, are obtaining some of the benefits of a new government. At this time I should like to express the opinion that if the government had not been elected as a minority government this resolution would not now be on the order paper.

Some hon. Members: Oh, oh!

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

Mr. Regier: It is also my opinion that while a minority government may be hard on the politicians it is very sweet for the people of Canada. My advice to the people of Canada would be that if we are faced with an election before the regular four year term has expired and they want to keep the Prime Minister on his toes they had better not give him a majority and they will get the benefit of much finer legislation.

Mr. Patterson: Mr. Chairman, it is not my intention to make extended remarks on the resolution now before us. I am sure that the proposal, to grant additional assistance to our senior citizens, as well as those in other categories covered by other resolutions, will meet with the approval of the people of Canada as a whole. While so many of us are enjoying a good measure of the material things of life we cannot afford to neglect those who have not only laid the foundations of this great nation but have brought it to the high degree of prosperity and greatness that it has achieved.

Many of these people find themselves in the position where they are unable to gain for themselves the necessities of life and are unable to engage in remunerative employment. They are looking to us to see to it that they have sufficient in order to enable them to live and to spend the rest of their days in at least some measure of comfort and security.

Some of those who have participated in the debate have gone to considerable lengths to try to prove who should receive the credit for the inauguration of our social welfare program, especially with respect to old age pensions. I do not think that this is of too great importance. In my opinion the main consideration before us is this: Are we doing our utmost as a nation to see to it that those who are looking to us for assistance receive that assistance in a way that will not only discharge our moral obligation to them but will also indicate in some measure our appreciation for all they have done.

Some question has been raised as to whether or not the amendments now before us encompass in their totality the promises that were made by the Conservative party during the past few months. Be that as it may, I am of the opinion that their response to the challenge of the pressing need of our senior citizens has been much more commendable than was the response of the previous administration. Someone used the term "too little and too late". I think possibly that was true, because it was too little and too late to stave off the retribution that the Liberal party saw in the offing, and of course that was indicated very clearly in the events of June 10.

My Liberal opponent in the Fraser valley, a splendid young man for whom I have a great deal of respect, found himself hard pressed to justify the stand of the Liberal government with respect to old age pensions, especially in relation to the $6 raise. On one occasion he made the observation that if the pension were raised too high it would rob the children of the privilege and responsibility of contributing to the support of their parents in their old age. He was never able to adequately answer the question that was asked, under a set-up like that what are the old maids and bachelors going to do?

In any event, we are faced today with these particular amendments. The first is to increase the amount of the monthly pension to those eligible under the terms of the Old Age Security Act to $55; second, to reduce the basic residence requirement from 20 to 10 years; third, to increase the length of permissible temporary absence of pensioners from Canada from three to six months. I believe that these proposed amendments cover, in part, three of the main objections which have been raised in the past relative to the old age security legislation. I say "in part" because although improving conditions to an appreciable degree additional amendments will be required to bring this legislation more closely into line with reality.

First of all, with respect to the increase in the monthly pension to $55, I may say that I do not believe there is any question in the minds of the members of this house or in the minds of the people across Canada relative to the need for an increase in this allowance. I believe ordinary common sense would indicate that it is absolutely impossible at the present time for senior citizens to live in any degree of comfort on $46 a month. I know the suggestion has been made that this pension was never intended to be their sole income; it was to supplement their savings, what they are allowed to have, or it was just to provide a little extra for them. I think we must remember that many of these people were so busy building this nation of ours, making the sacrifices that were necessary, they did not have any time to make provision for the closing years of their lives. Now they are faced with trying to live on $46 a month. I am sure that none of us would try to infer that that was adequate under the present circumstances.

I am not going to attempt to review the great mass of written material that has been placed on the records across this country presenting the needs of the senior citizens. I think that would be superfluous. I believe that each one of us has observed for himself the conditions in which many of our senior citizens are living or existing, and because of our personal observations we are convinced that an increase is absolutely essential. I do not think there is any question as to the urgency of the proposal. For too long our senior citizens have been forced to live below the borderline of poverty. We must act, and we should act quickly to bring them some assistance that will help them in time of need.

Regarding the amount that has been proposed by this resolution, I wonder if it is the best we can do in the light of our ability as a nation to pay? I was listening, as other members were, to the observations made by the hon. member for Burnaby-Coquitlam. He put on the record once again his own personal conviction, and the conviction of others

of his group, that Canada is well able to pay $75 a month to our senior citizens at the age of 65.

Mr. Studer: You cannot outbid an auctioneer.

Mr. Patterson: You should know. I have in my hand an article that I clipped from the Toronto *Globe and Mail* this morning. The article refers to a speech made by the leader of the C.C.F. party before 200 students at a meeting sponsored by the University of Western Ontario C.C.F. club. One of the paragraphs reads as follows:

He—

Speaking of the hon. member for Rosetown-Biggar.

—admitted if his party had come to power it would not have increased pensions to the $75 a month it had advocated in the last campaign, but likely would have made them $60 or $65 a month because of the need to introduce other social legislation.

I realize, Mr. Chairman, that newspapers do not always get the facts absolutely straight. Hon. members have pointed out on different occasions that they have been misquoted. If this is a wrong statement then I would be very happy if the leader of the C.C.F. party would make the necessary correction right at the moment, but that is as I have read it from this article taken from this morning's newspaper.

The question is, as I say, is this amount of $55 in keeping with Canada's ability to pay? We think of the continuing rise in the cost of living and, as has been pointed out, the tendency on the part of some landlords to increase rents. This may be justifiable when we look at the situation squarely because it may be that some of these landlords had been providing rooms for pensioners at a very low rate and at some sacrifice to themselves. I do not know, but that may be so. Nevertheless, our pensioners are faced with continually increasing costs of living and an increase in rents as well.

The second part of this resolution proposes to make a reduction in the residence requirement from 20 to 10 years. I believe that this proposal is commendable. There are those who would propose that the residence qualification should be removed altogether. Personally I am of the opinion that there is some justification for the continuation of that principle. However, I do agree that the 10-year period is much more just than the 20-year period that is presently in effect.

The third clause in the resolution calls for the increasing of the allowable temporary absences from three to six months. On other occasions I have had an opportunity to make some requests along this line, and I would suggest if we are going to remove any clause in the requirements here is a good one to remove. This would enable our senior citizens, because of illness or family relations or other such circumstances, to live outside of Canada. I believe that this should not cause the government to maintain this particular clause as it is. I should like to make the suggestion that the few old age pensioners who would leave the country might be ambassadors of good will, and living in various sections of other countries speak of Canada and the wonderful privileges that we have here, thus convincing many other people that they ought to visit our country.

Considering the matter from the monetary viewpoint, the resulting effect on the tourist industry would possibly offset the fact that our senior citizens would be spending their meagre pensions in other nations of the world. Hence I should like to suggest that this clause, instead of being just amended should be removed entirely. I believe that procedure would fit in very well with the recommendations of the senior citizens organizations across the country. I have here the resolutions passed by the Senior Citizens' Association of British Columbia at their fourth annual convention in June of this present year. The first resolution reads as follows:

1. Resolved that this convention of the Senior Citizens' Association of British Columbia requests the federal government to amend the old age security and old age assistance acts to make it possible for the pensioner to receive his pension in any country in the world.

This is practically the same—in essence it is the same—as a resolution passed by the National Old Age Pensioners Federation which reads as follows:

That we request the federal and provincial governments to amend the Old Age Security Act and the Old Age Assistance Act to provide that those receiving the pensions be allowed to reside wherever they choose with no limit of time and still be eligible to receive such pension.

Mr. Chairman, these amendments proposed in the resolution now before the house, while inadequate, will receive my support is so far as they constitute an improvement in the old age legislation on the statute books of Canada.

(*Translation*):

Mr. Breton: Mr. Chairman, may I be allowed to speak in French on this resolution relating to the increase in old age pension. I am glad that you are able to understand me since, had this not been the case, I would have had cause to regret the fact that I was speaking in a language which was not that of the chairman of the committee.

Mr. Chairman, during the few minutes at my disposal I would like to say that I am

happy that our older citizens will benefit from the increase in the pension which will be granted to them. I am happy to share the pleasure of the 158,000 people aged 70 and over, in the province of Quebec, as well as the 32,391 people, aged from 66 to 70 years, who will eventually benefit from this increase in the pension, according to the statistics for 1955.

However, Mr. Chairman, you will also allow me to share the feelings of regret which will be experienced by the 1,624,055 children in receipt of family allowances, according to these same 1955 statistics. Those children will be unable to benefit from this increase though they share to an equal and even to a higher degree than old people the effects of the rise in the cost of living and of inflation.

I feel sorry, not only for the children of the province of Quebec but also, I think, for the Conservative group in our province. As it happens this particular demand was the main plank in the platform they put forward at their national convention last year.

It might be thought that in granting these higher pensions, which will cost an additional 96 million dollars, the Conservative party has really invented something, but I think it is fitting, because of that forgetfulness which is so prevalent among the people, to put on record what the Liberal party has done in the field of social security over the last few years.

We all know that in 1927 it initiated a social security movement by establishing an old age pension of $20 a month. We also know that the Liberal minister at that time had stated that the pension was not granted for the purpose of supporting our senior citizens but as assistance to them. He added that a contributory pension plan, such as exists in the United States, would eventually be required.

As we have a new government which intends to achieve something new in the field of social legislation, it seems to me that instead of continuing this tradition of increasing pensions every year, they should find a plan whereby our citizens would contribute to their old age pension.

May I recall that from 1947 to 1957 inclusively, the Liberal party accomplished a great deal in the field of social security, as evidenced by the following statistics.

As of March 31st, 1947, the budget of the Department of National Health and Welfare, including old age pensions, amounted to 334 million dollars on a total budget of 2,613 million, not counting the national defence budget which I consider exceptional and which is not to be taken into account in the ordinary budget of the government. Therefore, the ratio of the budget of the Department of National Health and Welfare to the government budget excluding, as I said, that of national defence, was at that time 12.7 per cent. That was at the end of March 1947.

Five years later, that is to say on March 31st, 1951, the budget of the Department of National Health and Welfare amounted to 449 million dollars, showing an increase of 112 millions. Its ratio to the general budget, always excluding that of national defence, was therefore 19.2 per cent.

On March 31st, 1955, the national health and welfare budget, including old age pensions, had reached 849 million dollars—of course, these are round figures and I spare you the dollars and cents. Consequently, by 1955, it had doubled that of 1951 and was reaching then 30 per cent of the total budget of the government, if we do not take into account the military spending. A year later, in 1956, the national health and welfare budget had reached 31.9 per cent of the total budget. As regards this year, as of March 1957, I cannot give the percentage of the total budget but I can say this: the Department of National Health and Welfare has swelled the social security budget by $108 million, not counting of course the increase of veterans' pensions which raise that figure to $133 million, nor health insurance legislation which opened the way to an additional expenditure of $200 million. Thus, there has been an increase of about one third within a year in the national health and welfare budget.

It can be estimated that the national health and welfare budget represents today from 38 to 39 percent of the total government budget, excluding expenditures for national defence. Of course, this is only an approximation, for the latest public accounts are not out yet.

This government has seen fit to increase this expenditure of $100,000,000, or $96,000,000 to be exact. Now I must blame them for making that expenditure with no justification whatsoever, unless it was meant to please the people without taking into account the economic capacity of our country, our budget, revenues and expenditures, nor the slowing down of business in Canada. Indeed, if we are to assess the worth of a government according to the number of promises they may make to the people, we should all vote for the C.C.F. party, since it offers $75.00 a month for our senior citizens. But I

believe that we have to come back to some balance and I still prefer the Conservative party to the C.C.F. party, because I believe they are more responsible towards the public.

We have now reached the point where a comparison must be made between the record of the present government and the record achieved in the past by the Liberal administration.

When the Liberal government increased social security benefits and went on record as favouring health insurance, all this was introduced in a general budget which took into account the revenue and the expenditures of the country. Those plans also take into account the general increase in the national revenue, so that the government was in a position to say they were now able to set aside a higher proportion of the national revenue to help the underprivileged.

But what we see now is a government which shows itself completely irresponsible towards the public, the electors, and is furthering only its own immediate interest, that is, electoral interest.

These resolutions and amendments which are now before us, which have nothing to do with the year's budget, are possibly acceptable from a legal point of view, but they certainly are not acceptable from the point of view of sound economic common sense any more than they can be acceptable to serious men who are in control of the economic destiny of our country.

Mr. Chairman, at this time, in this year 1957, the government has introduced legislation entailing millions of dollars in expenditures in a very wide field.

Just think that we are now on the point of spending millions of dollars for the western farmer and for natural resources alone. In the province of Saskatchewan alone it will cost more than three hundred million dollars to build a dam. The development of the power resources of the Columbia river will cost tens of millions of dollars. The same will be done in the maritime provinces as well as in other fields. And all this without any budget.

Well, Mr. Chairman, this should show the utter irresponsibility of the present government. It is easy to understand why it wants elections as soon as possible, so as to be re-elected on promises and intentions while escaping the inevitable and extraordinary difficulties in which it will find itself within three or four years.

At the present time, as we know through the press, our economy is stopped at a red light. Business in various sectors is falling off. Already company profits are down 5 per cent. For the last few months, unemployment has steadily increased. The stock market is in difficulties and we may well wonder what the future has in store for us. And yet at the very moment where the national economy is slowing down, at the very moment when we are beginning to wonder what the year 1958 will be like, the present government is embarking on a policy involving expenditures of hundreds of millions of dollars.

Mr. Chairman, I am happy at the thought that our older citizens will have larger pensions, but I am extremely sorry indeed that the government has not seen fit to worry about the problem of inflation and the balance between revenue and expenditures. In wanting to call a general election, it wants to prevent the public from finding out what a government conscious of its responsibilities really is, whereas in the past the Liberal party achieved great things; it acted socially in redistributing wealth, while at the same time taking into account its financial possibilities. But what we have at this time is an irresponsible administration. At one time the Conservative party had a reputation for wise stewardship. But now it only looks to reelection and cares nothing for the interests of the country.

An hon. Member: Well, if you are so afraid, you can vote against it.

Mr. Breton: You speak when your turn comes.

At the moment, Mr. Chairman, the government is consolidating its position. Its policy is an auction block policy. Such an approach is utterly devoid of justification. The public, there in the gallery and all across the country, is sitting in judgment. My opinion is that the Canadian public is quite capable of making the distinction between an auctioneering government and a serious administration.

(*Text*):

Mr. Coldwell: Mr. Chairman, I would like to take a few minutes of the time of the house, although I did not intend to speak on this matter tonight. I happened to come in just when the hon. member for Fraser Valley was, I think, quoting a newspaper report of something I said yesterday. I believe, as far as I could hear when I came in, the report was substantially correct but the hon. gentleman must remember that something which is reported in a newspaper, while it may be correct, if taken out of the context in which it is stated may have a somewhat different meaning.

I am not quarrelling with the report because, as I say, it is substantially correct but what I said yesterday I will repeat here this evening. I said that we believed that if the

same proportion of the gross national product was allotted to the old age pensioners today as was allotted in 1949 when the pensions were raised to $40 a month we would be able to pay a pension of $75 a month. I went on to say that social service workers in the city of Montreal, as my hon. friend from Regina City said the other night, indicated that in reality an old age pensioner today requires $75 a month and that I had hoped during this session—and if we had been elected this is what we would have done—a very large increase in social service generally would have been provided.

Veterans pensions would have been substantially increased, as I hope they will be substantially increased; those who are disabled would have had a more generous interpretation of the term disability and would have received a higher pension; childrens' allowances would have been increased in conformity with the increased cost of living. We would have had in mind all these things. I said also I thought at the present time we should be supporting in this house something which we would have introduced immediately, an increase to at least $60 a month but I believed we should be increasing this figure to $65 a month and that we should progressively move towards the figure of $75 a month. That was the context of thought in which my remarks were made.

I want to say, Mr. Chairman, that in dealing with these matters I believe one should be honest with those with whom one is discussing these questions. I have never believed that one should promise to do something immediately which one knows very well it would be extremely difficult to do at a given time and place.

One other thing which I think we should bear in mind is this. Every time we increase old age pensions, disability pensions and other social welfare payments we place an obligation on the provinces. The provinces have to match what we do for the age group between 65 and 69. I am not certain that I remarked this yesterday but I am under the impression that I said there were some provinces in Canada, particularly the Atlantic provinces, which are in no position at this time to match a $75 a month pension. That is substantially what I said yesterday. I think the newspaper report is correct, as far as it goes, and I rise here to say that it is correct and to give something of the setting in which I said it.

Mr. Sinclair: Mr. Chairman, in rising at this time I must begin my remarks by expressing my support of the three improvements to the old age security program which are proposed in this resolution, the 20 per cent increase from $46 to $55 a month, the reduction in the residence qualification from 20 years to 10 years in Canada, and the increase in the length of permissible absence of a Canadian pensioner from three to six months. These are all steps toward improvement of the old age pension system which have been welcomed by every hon. member of this house and which are welcomed by people in all age groups across Canada. The young people who, of course, always have sympathy for what they think of as the tragedy of old age, not realizing that for many people the later years are the richest years of life; young married couples who are worried about contributing to the support of elderly relatives and the people of middle age who are themselves approaching the age of retirement are as interested as are the senior citizens in this question.

The people who reside in my own province of British Columbia, of course, are especially interested in this measure because in that province we have a larger proportion of senior citizens than any province in Canada, not that British Columbians live much longer than other Canadians but because the salubrious climate, along the coast of British Columbia at least, has attracted a great many other Canadians from central Canada and from the prairie provinces who have retired there.

Mr. Patterson: In the Fraser valley.

Mr. Sinclair: My hon. friend mentions the Fraser valley, but I think it is more true of the coastal region. In my own riding of Coast-Capilano and in Nanaimo and Victoria I think we have the largest concentration. In the 50 miles between Port Mellon and Pender Harbor along the coast in my riding there are many retired people, not only old age pensioners and those on government pensions but people who have retired to live on their own savings.

Mr. Patterson: We have a more salubrious climate.

Mr. Sinclair: Earlier speakers have covered rather fully the history of the old age pension in Canada, but I want to touch on two main points, first of all the relationship of the government old age security measures to other pension measures in Canada, such as civil service pensions, company pensions and the savings of ordinary individual Canadians and, secondly, the matter touched on by my friend the hon. member for St. Antoine-Westmount, the financing of this very large expenditure.

I think we should recall that pensions were originally a field of provincial responsibility. In 1926 when the first old age pension system

started it was made a matter of joint federal-provincial responsibility. The provinces did not turn over all authority to the federal government as they did when the amendment with respect to unemployment insurance came into effect. The first payments in 1926 were, of course, $20 on a means test, paid half by the federal government and half by the provinces which was an indication of their awareness of their responsibility. We British Columbians are proud that our province was the first province to pass the necessary supplemental legislation and the first province to actually pay an old age pension at Alberni in 1926. At that time, we remember, the means test was justified on the reasoning that this was a matter of giving to those in need money available from the treasury to assist them in meeting the cost of living. The total cost that first year was $12 million which was a large sum for the budget of Canada at that time.

Over the years the sum increased from $20 to $40. The federal government raised its share to three-quarters of the total cost and the three western provinces accepted further responsibility in this joint field by paying additional supplements on another means test ranging all the way up to the $20 now paid in British Columbia.

As time went on the feeling developed that the means test was unfair, that there was something mean about it. It came to be thought of as bearing a stigma of charity and we all know of many elderly people who needed this assistance but refused to apply for it because they were too proud. Their attitude was that they were not going to accept charity from the government. Above all, it was regarded as unfair because it denied assistance to those Canadians who had tried to plan for their own retirement by joining company pension schemes, by buying annuities or by their personal savings and investments.

It was because of that we had an exhaustive study made of the question by a parliamentary committee in 1950 and 1951 and as a consequence the new legislation came into being which paid $40 to every Canadian who had 20 years residence in Canada at age 70. That was paid entirely by the federal government, and $40 to those in need at age 65, paid on a means test, the cost shared jointly by the federal and provincial governments.

While the earlier pensions were paid entirely out of general revenue, for the first time in that year we gave to this pension scheme a contributory aspect by levying an extra tax of 2 per cent on personal income with a ceiling of $60, by levying 2 per cent extra by way of tax on corporation profits and by levying an extra 2 per cent in the form of a general sales tax.

[Mr. Sinclair.]

We remember how gladly these changes were received at the time. They removed the stigma of charity since every one received the pension at age 70. It was a real supplement to the savings of those people who had tried to provide for their own old age.

Over the years, of course, the government had urged people not to depend on the government in their old age and encouraged people to make provision for their retirement. I think the first action of this kind was the sale of government annuities, the government undertaking the cost of administration, and then followed the drives to sell government savings bonds. Encouragement was given to company pension schemes by making the contributions of both the employees and the employers tax deductible. Today the vast majority of company employees in Canada have this safeguard of contributing to company pension plans through which they and their employers are making provision for their own old age.

Last spring the former government extended this aid to the last great group not covered in the country, the self-employed, by allowing them to deduct before tax 10 per cent of income up to a maximum ceiling of $2,500 a year which they could invest in their own retirement plans.

All these things are admirable, of course, but we in this house are all aware of what has happened to the savings of individuals in recent years because of the continuous inflationary trends in the world. Pensions which were regarded as adequate when these people planned for their retirement are now proving pitifully inadequate because of the loss in purchasing power of the dollar.

It is for that reason, of course, we hear in this house pleas for increases in the pensions of retired civil servants, whose small salaries and pensions seemed adequate at the time but whose pensions are proving inadequate today. The government in the past resisted giving special treatment to the civil servants on the grounds that if it helped these civil servants in retirement then it should help every other Canadian in retirement, retired people other than civil servants whose savings were no longer adequate because of inflation.

It was in 1952 that the first real measure of assistance was given to this group by the introduction of the old age security at 70, free from the means test, because then those people with their own savings got the added government pension of $40 a month. It gave, of course, no help to people in this group between the age of 65 and 69 who, because of their own savings, were denied assistance under the means test.

The last government also in 1957 increased the basic pension from $40 to $46 a month, increasing the cost of the old age pension to taxpayers of Canada from $400 million a year to $460 million a year. I do not intend to fight the election over again but we all remember the Conservatives said this was inadequate, the 15 per cent increase was inadequate. They were not specific in the amount they promised. The Social Credit promised $100 a month and the C.C.F. $75 a month. Well, out west, and in British Columbia, too, we still remember the promises of the Social Credit away back in 1935 to pay $25 a month to every citizen. Therefore, the promise of $100 a month was just four times as phony as that promise. So far as the C.C.F. are concerned, their promise of $75 a month in this field of joint responsibility is in contrast with the actual record of performance of the C.C.F. government in Saskatchewan in this field of joint responsibility. Last year they paid to the senior citizens $550,000, a little more than half a million dollars, in contrast with the $23 million a year paid out by the federal treasury.

The $6 increase cost the taxpayers of Canada an extra $60 million a year but, of course, this was never mentioned by opposition speakers in the last campaign. They broke it down the other way, $6, 20 cents a day. The other day the hon. member for York West called it two cups of coffee a day. I am waiting until he stands up and describes this $9 increase of the Tories as three cups of coffee a day. I do not intend to get into an argument like that except to say that the old age pensioners in Canada were glad of the $6 and they are glad of the $9.

One of the questions, however, which arises out of this is the feeling of the Canadian people that this $6 was inadequate, despite the fact that it was a 15 per cent increase over the previous pension and despite the fact that the cost of living, since this pension was brought in in 1952, had not increased 15 per cent. I think the answer is quite clear. The $6 may have made up the loss in purchasing power since 1952 of the old age security pension of $40, but it did not make up the loss of purchasing power in the same period of the private savings of our senior citizens, the savings which most Canadians do intend to carry them through their own old age; that is, their total retirement income composed of the old age pension paid at 70 plus their company pension plan or their government annuities or their own personal savings.

We have heard the promise of the Prime Minister in this regard. As far as the cost of living bonus on the old age pension is concerned I suggest that to be effective it has got to be more than a cost of living bonus on the old age pension. I hope that when this bill comes forward after the resolution is adopted it will contain a provision for an automatic annual revision based on the year-end cost of living to maintain the purchasing power, not just of the old age pension but of a minimum basic retirement income. A very modest basic retirement income would be $200 a month for a couple on old age security, made up of $110 a month from the new $55 pension, plus $90 of their own savings or pensions.

Many Canadians of course have more than $90 a month for their own retirement; some have less. But this $200 a month retirement income would be a very modest start. An annual adjustment could be made each year on the cost of living at December. The present inflationary trend in North America is about three per cent a year. That would be an extra $6 on this basic retirement income of $200. That would be $6 a month, $3 on each of the old age pensions paid to this couple and that would maintain the purchasing power of their retirement income composed of the old age security pension paid by the federal government and their own savings. If, of course, the government is able to hold the line on inflation there would be no increase in the cost of living and no need for any increase.

I think such a provision would have immediate and very salutary effects. It would assure all Canadians now trying to provide for their own old age through personal savings, company pension plans or annuities, that they in the future would have at least $200 a month in constant purchasing power, provided that they had an income themselves of $90 a month on retirement. It would relieve them of a great deal of worry; it would also relieve young people today who are trying to plan for their own old age of worry and of their attempts now to hedge against inflation by dabbling in common stocks and real estate as well. Those who have been dabbling in common stocks, of course, have been shocked in the last year by the decline in the stock market, adding to their bewilderment when they try effectively to provide for their own old age. It would also remove the future problems of retired civil servants on low pension who are asking for increases in their pensions because of the decline in purchasing power. Above all, it would remove the old age pension from the political arena and save us all from the spectacle of political parties trying to bribe the electors with their own money with election promises of higher

and higher pensions, the height of the promises being directly related to the unlikelihood of the party succeeding to office.

I think the other aspect of this pension which must command attention now is the matter of paying for them. I firmly believe that all these social security benefits, paid for out of the government treasury, should have a price tag on them so that the taxpayers whose money is being used will have some idea of the cost and the benefits. This is an extremely important thing because there are taxpayers, citizens as well, in this country who have the deluded belief that these social security benefits fall like manna from heaven, from this remote government at Ottawa.

I think a good start was made in the 1952 bill by the 2 per cent, 2 per cent, 2 per cent formula, increases in the personal income tax, the corporation tax and the sales tax. We have not, of course, the direct contribution that the United States social security plan has but this was a good step forward. In practice, however, I doubt whether many Canadian wage earners are very conscious of these extra taxes. They are not conscious of the two per cent extra sales tax because that is paid at the manufacturer's level.

The average Canadian is not conscious of the extra 2 per cent corporation tax, although he pays it in the end, because that is buried in the accounts of the big corporations when they are prepared by their accountants at the end of the year. He is aware of the 2 per cent on the income tax just once a year when he makes out his own income tax return. These three 2 per cent taxes did not quite pay the cost of the $40 a month pension. I notice the most recent figures—that is, on the $46 a month pension—indicate that the fund is running behind over $10 million a month. With the $96 million increase which the minister has announced for the new increase, the fund is going to be running behind something around $215 million a year. In other words, about two-thirds will be met by the taxes and one-third apparently is going to come out of the central treasury.

I think there are two reasons why this should not be done. One of the criticisms levied most often by the C.C.F. speakers against the present old age security pension is that millionaires get it, a reversal of the old argument that the previous pension was demeaned because it was given on a means test.

Mr. Nicholson: That was said by the former Liberal member for Moose Jaw-Lake Centre.

Mr. Sinclair: Your former colleague from Moose Jaw-Lake Centre. I am glad my friend reminded me of that because these 2 per cent taxes made possible pensions without any means test, which removed the stigma of charity. I put figures on record here at the time I was parliamentary assistant showing that a millionaire actually pays about $700 more taxes a year because of these added social security taxes, and because his income tax bracket is at least 53 per cent when he does collect the pension he gets less than half of it. He would get less than $20 a month under the $40 pension and yet pay about $700 a year in increased taxes. The more the general treasury contributes to this fund, the less the impact of taxes will be on those who are in the higher income brackets.

I therefore urge that when the minister replies at this stage of the legislation he give the house some indication how this extra burden of about $215 million at least, on top of the $400 million which was the cost of the earlier pension, is going to be met. Is it going to be a matter of continuing the 2 per cent taxes and paying the balance out of the treasury, are we to have a revision of the 2 per cent taxes or are we to have some new tax formula?

In closing I say, therefore, that I am happy to support the present proposals. They are a good step forward. May I make one last point. The hon. member for Fraser Valley supported a reduction of the residence requirement from 20 years to 10 years but at the same time asked for abolition of the limits on absence from the country. If we are not careful, if we should abolish all limits on absence from Canada, we could well develop the same sort of unhappy movement that the British had when they brought in their health insurance when people from all over Europe flocked to England to get new false teeth, wigs and glasses. We could well have a crop of elderly immigrants come here at age 60, live here ten years until they were 70, pay their contributions for ten years which in their case would be small at the 2 per cent rates because they would be on low incomes, and then at age 70 return to their homelands with a pension of $110 paid for life by the Canadian taxpayer. That is why I say it is important, since we are reducing the residence qualification, to keep this limit on absence from Canada.

Mr. Low: Mr. Chairman, I should like to take a very few minutes of the time of the committee to comment on the resolution now before us. I was very much interested in listening to the hon. member for Coast-Capilano review the history of old age pensions and other social security benefits in

Canada, particularly his attempt to get the house to believe that every advance that has been made was due to the high spirit and the big heart of the Liberal party. Of course, there were some things in that history that he conveniently left out, and I hope in the course of the few minutes that I take to fill in certain details that he significantly left out.

It is all very well, of course, for the hon. member to indicate to us that the Liberal party was the great benefactor of the Canadian people all the way through the years since old age pensions were first paid, but I remind him and the members of his party that as late as 1936 and 1937 they were still holding the old age pension to a limit of $20 a month. Part of that was to be paid by the provincial governments and part by the municipal governments, with the federal government paying 75 per cent.

When the Social Credit government first came into office in Alberta in 1935 I recall that we began urging the Liberal government at Ottawa to increase the old age pension. In every session of the legislature that I attended beginning in 1935 until well after 1940 I recall that we passed resolutions calling upon the federal government to introduce a higher level of pension. These were sent regularly to the federal government and on one or two occasions I came to Ottawa with delegations to sit in with the minister of finance and other federal government ministers to see what could be done about improving administration in the old age pension field. I recall very definitely on each occasion putting a case to the federal government at Ottawa for higher pensions.

Nothing whatever was done until much later than 1937, but the province of Alberta, realizing that the federal Liberal government would do nothing, began in 1938 to pay a supplementary allowance of $5 a month over and above what the federal government was prepared to share, and we paid it without a means test. We continued to pay it to our aged citizens without a means test for some years. Shortly after 1940 the province of Alberta increased the supplementary payment to $10 a month without a means test and only then did the Liberal government at Ottawa, feeling much embarrassed and much ashamed of their attitude, decide to come in and try to do something a little better than the miserable $20 they had hung on to for so many years. They were actually shamed into doing it by the fact that the government of my province paid a supplementary allowance of $10 a month for some years with no assistance from the federal government or no sharing of the amount by that government.

Eventually the federal government did increase the old age pension to the $40 level, and from there on what the hon. member for Coast-Capilano has said is essentially correct, except that even after the federal government increased the basic pension level to $40 a month the province of Alberta continued to pay a $10 supplementary allowance until about 1952 when they increased it to $15 a month. Today they are paying a supplementary allowance of $15 a month with a means test, not only to the 70 and over class but to the 65-69 class as well.

When you consider, Mr. Chairman, that the government of Alberta also provides free medical and hospitalization benefits and free dental and optical benefits to the aged, as well as free transportation on the transportation lines in many of the centres in the province, the benefits that those citizens receive today, may I point out to the hon. member for Coast-Capilano, can be much more than $100 a month.

Mr. Blackmore: He cannot take it.

Mr. Low: He made light of the fact that in the course of the election campaign we put forward a specific idea with regard to old age pensions. I want to set the record straight because the hon. member for Coast-Capilano did not put it straight. What we did do was to propose a basic pension of $60 a month. That is essentially what we are getting today from the new government and that is one of the things that we are supporting today. But we did go further and say that in addition, where the provinces were agreeable to paying a supplementary allowance up to $20 a month, we would match it making a possible total of $100 a month. As I have already pointed out, that was on the basis of a $60 pension, almost the same as we are getting today in this new legislation.

Mr. Sinclair: Will the hon. member permit a question? You will recall that your political advertisements only carried one figure, $100 for old age pensions. There was no fine print. That was your promise.

Mr. Low: That is not true. I have the literature in my office that was used and I can easily show it to the hon. member. In every single case it was made abundantly clear that it was on the basis of a $60 pension with a supplementary allowance matched up to $20.

Mr. Sinclair: The only figure they used was $100, and it was used by speakers and in advertisements. Tell us about the $25 in 1935 too.

Mr. Low: I am quite prepared to talk about that, too. The hon. member, while he was parliamentary assistant to the minister of finance, had ample opportunity to debate that on several occasions. He backed down and did not dare; every single time he walked out of this house.

Mr. Sinclair: The people are still waiting for the $25.

Mr. Low: I challenge the hon. member any time he desires to come into this house and debate a resolution on the question of the $25 a month dividend and we will meet him and meet him head-on.

Mr. Sinclair: It was not the Liberals who promised to pay, it was the Social Credit that promised the $25 to the people of Alberta.

Mr. Low: I just want it known that every time this issue was raised in his presence, while he was responsible in the Department of Finance he walked out on it. I shall say something further. The hon. member makes light of the Social Credit financial proposals, and particularly our proposal to increase old age pensions. During the last election campaign he said that ours was a phony proposition. Well, Mr. Chairman, I am going to tell my hon. friend that on June 10 last the people of this country made a pretty good job of judging who was phony. I just point out to him that every Social Crediter who was in this house in the last parliament is back in his seat again this time, and we have some extra ones. We pretty nearly wiped out the Liberal party in the province of Alberta. About 250 votes more would have left them with no representatives whatever in parliament from our province. The next time we will get the last one.

Mr. Sinclair: While you are on the subject, will you put on the record the name of the party which received the largest popular vote in the country and the name of the party that received the smallest.

The Chairman: Order. I would ask the hon. member to deal with the resolution.

Mr. Low: I shall be happy to comply with your request. I should like for just a minute, now that I have replied to my hon. friend who is so glib in this house when he has no responsibility, but when he had was not so ready to come to grips with things, to say just a word about something that has not been mentioned as yet in connection with this resolution. I think we have stressed adequately, from our group at least, our feelings with regard to the necessity for taking care of our aged citizens. I believe that the status of a nation can be judged pretty well by the way they treat their senior citizens; that has been so for a great many years. I am very happy to see the basic pension raised to $55 per month. In Alberta we are going to continue to pay the supplementary allowance, which will bring the pension to $70 per month. This $70 comes somewhere near to an adequate pension under the circumstances; not too high by any means, but at least it is getting into that realm.

There is a point that I think ought to be stressed, and that is in connection with the economic effects. Over the years it has been contended by people that we might get ourselves into economic difficulties by increasing the old age pension to a point where there was a reasonable living allowance granted. I do not believe that. As long as this country can produce from $30 billion to $32 billion worth of goods and services a year there is no reason whatever why the aged citizens of this country should not have a standard of living that is comparable to that which is granted to other citizens or made available to other citizens.

I do not mean to say that the government should be prepared to give our aged citizens as much as other people can earn, but certainly there is no reason why there should not be an escalator clause attached to the qualifications for the old age pension, so that when the cost of living goes up the pension rises in proportion. These people are considered to be on a fixed income, but they are not. Really they are on a declining income because the purchasing power of the dollar is continuously declining. These people who are considered to be on a fixed income ought to have an escalator clause attached to the qualification for their pension.

It seems to me if we had something of that kind we would be doing nothing more than is right and fair. Did you ever consider, Mr. Chairman, what happens when we pay old age pensions to people? Old age pensions are the very best source, are the very best type, put it that way, of new purchasing power. The pension is spent almost immediately. Did you ever consider that whenever we pay a pension to our aged citizens they do not run off to Timbuctoo to spend their money. They spend it at the corner grocery in the community where they live. They are the best supporters of the small merchants, the little businessman. They spend their money immediately they receive it for the things which this country produces. As they do that they are helping to stabilize the economic affairs of this country; stabilizing business, stabilizing production and prices. Certainly, they are not contributing in any way to uncontrollable inflation.

If reasonable precaution is taken there is no reason why a $75 per month pension should be inflationary in a country that is increasing as this country is in its productive capacity year by year. I would say that where it is necessary to introduce new purchasing power for consumer goods in order to attempt to stabilize the economy, the old age pensioners are the very best source of spending power. To give them new purchasing power does help to stabilize our economy better than any other way of which I know. For that reason, if for no other reason, I support the proposed increase to $55 per month which this government has brought before us today.

I feel that enough has been said about the matter of residence qualifications. I do not intend to raise that again. I know that there are some in the country, particularly members of labour unions, who are just a bit concerned about reducing the residence qualifications from 20 to 10 years. I have not been convinced that their fears are well founded as yet. I do know quite well a number of aged citizens who came to this country and contributed the very best they had over a period of years, then found themselves about age 70 or over with nothing to take care of them in their declining years. I feel it is only right and just that something be granted to them, even though they have not been here for 20 years. Whether or not 10 years is the best place to cut off, I do not know, but I am prepared to support it until I am shown a better way.

So far as the other proposal is concerned, that is the period of allowable absence from the country, I am prepared to go along with that too until we have something better shown to us.

(*Translation*):

Mr. LaCroix: Mr. Chairman, I shall only take a few minutes. I support the proposed increase and will vote for the increase in old age pension.

I favour that increase. However, there is a particular section of that bill which, to my mind, will have the effect of increasing immigration at the very moment when we suffer from an unemployment crisis. The section I am referring to is the one reducing from 20 to 10 the number of years of residence required for eligibility to old age pension. Obviously that section has been inserted in the bill for the purpose of promoting immigration. I am wondering if it is justified. In my view, it is a mistake to reduce the number of years from 20 to 10, thus reducing the immigrants' contribution in comparison with that of native Canadians.

Now, Mr. Chairman, as the Catholic workers confederation indicated at its 36th annual congress, held in Quebec city, I do believe that old age pensions should be increased to $80 monthly, if we wish to take into account the increase in the cost of living.

A moment ago, I heard my hon. colleagues of the Social Credit party state—as I already knew,—that old age pensions in Alberta had been increased to $70, and C.C.F. party members have indicated in most of their speeches in the house that old age pensions should be increased to at least $60. Such a request is by no means exaggerated. In fact, one must not forget that in the state of New York, old age pensions are paid at the rate of $95 a month, and that in the various states of our southern neighbour, pensions average from $75 to $80 monthly. An increase along these lines, in future, would certainly be justified.

It is all very well to congratulate the government for increasing old age pensions.

I am not opposed to it because when sitting on the government side, I myself often asked for an additional increase. However, we must not forget one thing: if we have old age pensions, we owe it to the Liberal party. It is the Liberal party which passed the Old Age Pensions Act. I therefore think we ought to be sincerely grateful to the right hon. Mackenzie King and the right hon. Louis St. Laurent, and we also should commend the hon. Paul Martin, former minister of health and welfare, who worked in co-operation with his colleague, the hon. Jean Lesage, for a substantial improvement of the Old Age Security Act. We have to be fair and give credit where credit is due.

I trust that this increase will not prevent the Conservative government from keeping the promise made to the people of my province to grant an increase in family allowances. One must not overlook the fact that, as the hon. member for Joliette-L'Assomption-Montcalm (Mr. Breton) has pointed out 1,600,000 children receive family allowances in the province of Quebec.

Looking back on the speech from the throne and on everything that was said in this house by Conservative members since the beginning of the session, I wonder if the government has forgotten that undertaking. They have made no reference to it. Would it be because Quebec has the greatest number of large families? It is a question which may be asked. I hope that, if a budget is introduced, that solemn promise made to the

population of the province of Quebec at the last general election will not be forgotten. I also expect that, if income tax rates are reduced, the government will not forget either that agriculture in the province of Quebec is organized on a family basis, and that, as a consequence of some measures which they have adopted, the agricultural organization which has made the strength of our province will not be unjustly taxed.

I hope that income tax basic exemptions will be raised from $1,000 to $1,500 for bachelors, and from $2,000 to $3,000 for married people, as was promised by the right hon. Prime Minister (Mr. Diefenbaker) during the last electoral campaign in the province of Quebec, and asked many times by myself in this house.

As far as I am concerned, I am wondering if there will be another session or if elections will be ordered immediately after this session, which would have precisely the effect of avoiding the presentation of a budget which would not include—

The Chairman: Order.

Mr. LaCroix: —the fulfilment of the promises made.

The Chairman: I should call upon the hon. member—

Mr. LaCroix: That is all I had to say, Mr. Chairman, and I thank you.

(Text):

Mr. Irwin: Mr. Chairman, I may be guilty of a certain degree of naïveté because I have the feeling that the wording of this motion is that it is expedient to introduce a measure to do certain things. I have heard a great deal of discussion here tonight but very little of it has been on the basis of the necessity for introducing this particular bill. So far as I am concerned, I think the word "expedient" which means advantageous or suitable is an extremely pallid and totally inadequate word to express necessity for bringing in this particular bill.

For many years now it has been quite obvious that the senior citizens of this country have been in a serious position having regard to their ability to meet their needs. I think that in bringing in this legislation the word "imperative" would have been a much more expressive word to use than is the word "expedient" because it has been and is extremely imperative that this belated assistance to our senior citizens be brought forward. I note that, on the basis of the 1949 consumers price index, the cost of living stands today at 123.3. That is the latest figure for September.

That is 23 per cent higher than it was in 1950 when the pension was brought in and I would point out that since the cost of living has risen to that extent it is absolutely necessary that our older citizens be given a reasonable chance to meet the rising cost of living. So far no adequate attempt has been made to meet that necessity. Our friends on the other side of the house brought in what they choose to call a 15 per cent raise last year; that 15 per cent raise was to meet the rising cost of living which was at that time slightly over 20 per cent. How they proposed to meet a 20 per cent rise in the cost of living with a 15 per cent rise in the pension is entirely beyond my comprehension.

The unfortunate thing about the consumers' price index is that it deals merely with those things which are absolutely essential for the well-being of the senior citizens of this country and so far as I am concerned I believe it is necessary that these people be given a chance to enjoy a reasonable degree of happiness and pleasure such as is enjoyed by we who today have a higher standard of living. Unless their income is such that they are going to be able to enjoy life in this way we are not dealing with them in the way we should be and it is up to this government, since they have assumed responsibility for the welfare of these people, to provide them not only with the necessities of life but to make other adequate provision for these people.

When you look at the consumers' price index you find it includes such items as food, shelter, clothing and household operations. Under the heading of household operations are included fuel, electricity, home furnishings, supplies and services. What the index does not tell you is that household operations have risen 19 per cent since 1949, that food has risen 21.9 per cent and that shelter has risen 36.4 per cent. These things are all absolutely necessary to the well-being of our senior citizens and we are just barely meeting these costs under the provisions of this bill. Therefore I would not like it to be thought for one moment, although I am going to go along with the bill, that I regard it as adequate, I do not.

The consumers' price index does not include the things which go toward making life pleasant and happy. Surely if anybody in this world and particularly in this Canada of

ours has earned the right to happiness and pleasure in life it is those people who have spent their days bringing this country from a state of wilderness to a wonderland. Yet we play around, as our government have done in the past, chiseling these people from their income. That is what we are doing when we allow the cost of living to rise in such a way that it cuts down the livelihood these people are getting to a point where they are on the verge of bare sustenance and no more.

This practice of cutting down and chiseling with respect to these inadequate incomes has been brought about simply because the governments of the past have not seen fit to introduce a monetary policy which would prevent fluctuations and make this kind of legislation entirely unnecessary.

I want to point out that for this reason I am in favour of bringing in this particular resolution and the proposed bill that will follow it, in addition to the bill to provide for advance payments for prairie grain which was passed this afternoon. I believe this particular government is slowly but surely beginning to see the light. I admit quite frankly that although it seems that vision is extremely dim at the present time, as time goes along that vision may grow.

They are beginning to recognize that the injection of purchasing power into the consumers' market is the soundest method of stabilizing our economy. It is the only method that will expand our economy without bringing about inflation. The time is coming when the government of this country must recognize the fact that there is only one reason for production, and that is consumption. We do not care where the consumers live; it does not make any difference whether they live in one of the small towns of our own country or in Timbuktu or Sumatra, it is the consumer that really matters and he holds the key to economic progress. As long as we can keep the consumer happy and see that he is able to consume the goods we produce we can be assured that our production capacity will more than keep pace with demand in any given period. I will close by saying that I would, like Thomas Jefferson, sooner dream of the future than pin my faith to the history of the past.

Mr. Martin (Essex East): Mr. Chairman, in the course of this debate many very important questions have been put to the Minister of Health and Welfare. Some of those questions no doubt can be answered when we are dealing with the bill, but I suspect that most of them will not be covered by the bill. That is something of course about which the minister alone can speak with authority. But with respect, for instance, to the questions raised tonight by the hon. member for St. Antoine-Westmount, which would obviously not be included in the bill, and the many questions which were posed by myself and others, surely on a matter of this importance the Minister of National Health and Welfare should give replies before this resolution is passed.

Mr. Monteith: Mr. Chairman, I do not think there has been any question raised throughout the whole debate on the resolution that cannot be adequately dealt with at the second reading and in the committee stage. I am quite sure that at that time we can give a lot more detail and I feel that probably the members will be anxious to facilitate the passing of the resolution so they may receive the bill, examine it and have it ready for second reading.

The Chairman: Shall the resolution carry?

An hon. Member: Ten o'clock.

The Chairman: It being ten o'clock, shall I rise and report progress?

Mr. Argue: Does that mean the resolution is carried?

Some hon. Members: No, no.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask the leader what the business is for tomorrow.

Mr. Green: Tomorrow we shall proceed with this resolution and with the three other resolutions standing in the name of the Minister of National Health and Welfare; we shall then proceed with the resolution standing in the name of the Minister of Veterans Affairs and then the speech from the throne.

Mr. Chevrier: The leader is optimistic.

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

AUTOMATIC TRANSMISSIONS—FREE ENTRY

Question No. 63—**Mr. Martin (Essex East):**

1. Was an order in council passed providing for the free entry of automatic transmissions under tariff item 438N?

2. If so, on what date, and were any conditions imposed on the automobile industry in Canada with respect to the manufacture of such transmissions in Canada?

3. Have representations been received from anyone urging that automatic transmissions be admitted duty free on condition that after a stated period such transmissions shall be manufactured in Canada?

Answer by: **Hon. Donald M. Fleming (Minister of Finance):**

1. Yes.

2. Tariff item 438n was established by order in council P.C. 3805 of August 14, 1952. This tariff item has been renewed by subsequent orders in council the most recent of which is P.C. 1957-1258 of September 19, 1957, which reads, in part, as follows:

Tariff Item		B.P. Tariff	M.F.N. Tariff	General Tariff
438n	Transmissions and controls therefor, having automatic and/or semi-automatic drive selecting devices, but not including overdrive type transmissions; torque convertors; oil coolers; combinations and parts of all the foregoing; all of the foregoing when of a class or kind not made in Canada for use in the manufacture or repair of motor vehicles	Free	Free	35 p.c.

(Applicable October 1, 1957 to October 31, 1959)

3. Joint representations were received from the automotive parts manufacturers' association and the Canadian Automobile Chamber of Commerce on July 15, 1957, requesting that this temporary tariff item be renewed until October 31, 1959. These representations stated that there would likely be no need to request a further extension beyond October 31, 1959, since it was anticipated that Canadian manufacturers would by that time be in a position to produce automatic transmissions.

HOUSING CORPORATION PAYMENTS TO LENDERS

Question No. 75—**Mr. Howard:**

1. Has any money been paid as fees by Central Mortgage and Housing Corporation to approved lenders as determined under the authority of the National Housing Act, for the making and advancing of loans made pursuant to such act? If so, how much money was paid for the individual years of 1954, 1955, 1956 and 1957?

2. Has any money been paid as fees by the Central Mortgage and Housing Corporation to approved lenders as determined under the authority of the National Housing Act, for the administration of loans made pursuant to such act? If so, how much money was paid for the individual years of 1954, 1955, 1956 and 1957?

3. Has any money been paid as fees by the Central Mortgage and Housing Corporation to approved lenders as determined under the authority of the National Housing Act for any purposes other than those listed in questions 1 and 2 above? If so, (a) for what purposes were the payments made; (b) how much was paid for the individual years of 1954, 1955, 1956 and 1957?

Answer by: **Hon. Howard C. Green (Minister of Public Works):**

1. Yes.

Particulars of fees paid by Central Mortgage and Housing Corporation to approved lenders under the authority of the National Housing Act:

Questions

	1954	1955	1956	Jan. 1 to Sept. 30/57
Fees to approved lenders re processing of agency loans (N.H.A. 1944)	$ 29,867.88	$ 10,730.00	$ 50.00	$ Nil
Appraisal and inspection fees and allowances paid to lending institutions re agency loans (N.H.Act, 1944)	5,655.00	5,990.00	50.00	Nil
Examination fees paid to approved lenders (N.H.A. 1954)	128,844.00	184,302.00	176,436.00	62,397.00
Appraisal and inspection fees paid re joint loans and corporation loans (N.H.A. 1944 and N.H.A. 1954)	42,683.25	17,686.61	5,715.00	535.00
Totals	$207,050.13	$218,708.61	$182,251.00	$62,932.00

2. Yes.

Particulars of fees paid by Central Mortgage and Housing Corporation to approved lenders under the authority of the National Housing Act:

	1954	1955	1956	Jan. 1 to Sept. 30/57
Administration fees re agency loans (N.H.A. 1944)	$19,834.74	$8,235.78	$ 682.71	$ 21.45
Administration allowances on delinquent loans (N.H.A. 1944)	500.00	1,125.00	900.00	400.00
Totals	$20,334.74	$9,360.78	$1,582.71	$421.45

3. No.

ARMED FORCES—INCREASE IN PAY

Question No. 80—**Mr. Henderson:**

With respect to the increase in pay in 1957 to the armed forces, what is the additional amount payable in respect to the fiscal year 1957-58?

Answer by: **Hon. G. R. Pearkes (Minister of National Defence):**

The estimated additional amount payable for the fiscal year 1957-58 on account of pay and allowance increases to the armed forces effective May 1, 1957, is $27,574,892.

AIRCRAFT EXPORT PERMITS—CZECHOSLOVAKIA

Question No. 82—**Mr. Regier:**

1. During 1957 have any export permits been granted for the shipment of Canadian made aircraft to Czechoslovakia?
2. If so, for how many aircraft, what kind of aircraft, and what is the total value of the proposed shipments?
3. Were any applications for permits refused by the department in 1957?
4. Have any permits been granted for the export of military aircraft to any communist country other than Czechoslovakia?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1. No export permits have been granted for the shipment of Canadian made aircraft to Czechoslovakia during 1957.

2. Answered by No. 1.

3. No applications for export permits were refused by the department in 1957 for the shipment of Canadian made aircraft to Czechoslovakia.

4. No export permits have been granted for the export of military aircraft to any communist country during 1957.

ARMED FORCES—MOTOR VEHICLE ACCIDENTS

Question No. 83—**Mr. Hahn:**

1. In how many cases were motor vehicles of the armed services in Canada involved in accidents with those of civilians on other than camp grounds during 1956?
2. What is the full amount paid by the armed services for damages resulting from motor vehicle accidents during the year 1956?

Questions

3. What action is taken to determine who is to blame in the event an armed service vehicle becomes involved in an accident with one driven by a civilian?

Answer by: **Hon. G. R. Pearkes (Minister of National Defence):**

1. 1153.

2. The full amount paid by the three services for damages arising from motor vehicle accidents in the year 1956 was $136,535.48.

3. Upon the occurrence of an accident involving the possibility of a claim by or against the crown, the commanding officer of the service unit on whose charge the vehicle is held immediately either (a) ensures that the appropriate departmental adjuster is informed of the accident or (b) appoints a board of inquiry to investigate the circumstances of the accident.

FEDERAL BUILDING, PLESSISVILLE, QUE.—TENDERS

Question No. 88—**Mr. Lafontaine:**

1. Has the Department of Public Works called public tenders for the construction of a building at Plessisville, Quebec?
2. If so, on what date were tenders called, and on what date were they opened?
3. What are the names of those who tendered and the amount of their respective tenders for the carrying out of such work?
4. Was the contract awarded?
5. If so, to whom?
6. If not, what ars the reasons for the delay in awarding the said contract?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. Yes.

2. Tenders were called—May 18, 1957. Tenders were opened—July 3, 1957.

3. S. Savoie Limitee, Plessisville, P.Q.—$139,970. Pourier and Boulet Limitee, Quebec, P.Q.—$149,970.

4. No.

5. Answered by No. 4.

6. Because the low tenderer's experience in building construction was limited, it was decided to ask him to increase the amount of his security deposit in order to protect the crown. Subsequently the low tenderer requested and was granted permission to withdraw his tender. As only one other tender was received originally, it was decided in the interests of competitive bidding to make a further call for public tenders. This second call will be made shortly.

HOUSE OF COMMONS

Friday, November 1, 1957

The house met at eleven o'clock.

GRAIN

MONTREAL—REQUEST FOR INCREASE IN SHIPMENTS

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I ask the Minister of Trade and Commerce a question. Is he aware that there is a disastrous slump in shipments of wheat from Montreal harbour, and can he do anything to increase the movement of grain from the port of Montreal?

Hon. Gordon Churchill (Minister of Trade and Commerce): I would like to thank the hon. gentleman for giving me notice of this question two minutes ago. I think he is quite incorrect in using the term "disastrous". There has been a slowing down in the movement of wheat from Montreal harbour, which has been offset by a record movement of grain from Vancouver and other Pacific coast ports—

Mr. Chevrier: That is very comforting to Montreal.

Mr. Churchill: —and from the port of Churchill in Manitoba. A great deal of that was occasioned by ocean freight rates which made it, in the opinion of importers of wheat in Europe, advantageous to place their orders at Vancouver.

The hon. member wants to know if anything can be done to increase the movement of grain in the port of Montreal. I notice in the article to which he refers that there is a promise of a moderate pick-up in grain shipments from Montreal indicated for the closing weeks of navigation, and it is expected that pick-up will become evident within just a very few days. The wheat board is fully aware of the situation, and is naturally interested in accelerating the movement of wheat through the St. Lawrence waterway.

(Translation):

THE SENATE

INQUIRY AS TO APPOINTMENT OF FRENCH-SPEAKING REPRESENTATIVE FROM ONTARIO

On the orders of the day:

Mr. J. O. Gour (Russell): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. Since a new vacancy has occurred in the Senate in respect to the Catholic representation of the province of Ontario, will the right hon. Prime Minister appoint, this time, a senator who would represent the French element of the province?

(Text):

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I will have to take notice of that question.

LABOUR CONDITIONS

MONTREAL—REPORTED LAY-OFFS AT CANADIAN CAR COMPANY

On the orders of the day:

Hon. George C. Marler (St. Antoine-Westmount): I should like to direct a question to the Minister of Transport. I am sorry I have not been able to give him notice, but perhaps in any event he will wish to make inquiries. The Canadian Press reported last night that the Canadian Car company had started to lay off 1,000 workers in its Turcotte and Dominion plants, and this lay-off is ascribed to the fact that a decision was taken by the Canadian Pacific and Canadian National Railways to cancel orders for new equipment. I wonder whether the minister would make inquiries to find out whether this was a cancellation of an order placed, or whether it is the fact that no order was placed as anticipated.

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I will be very glad to make inquiries of both railways and give an answer on Monday.

IMMIGRATION

PER HOLTING—REPORTED DEPORTATION WITHOUT HEARING

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): I should like to direct a question to the Minister of Justice. Under what Canadian law was Per Holting, a Canadian citizen, landing from an S.A.S. flight in Winnipeg, forced back on to the aircraft and compelled to go to Los Angeles, and thus deported without trial?

Hon. E. D. Fulton (Acting Minister of Citizenship and Immigration): Mr. Speaker, I thank the hon. member for giving me notice of this question. I should say that I cannot accept all the implications in his question as

he has phrased it, but the result of inquiries establishes that there was a Mr. Per Holting who was involved in such an incident at Winnipeg at 9 a.m. on Friday, October 25. In our citizenship files we have a record of a Mr. Per Beckmand Holting and it may well be, therefore, that the man involved in this incident is the same as the one on our files, in which case he would be a Canadian citizen.

It would appear that Mr. Holting, who had been in Greenland on an assignment for the C.B.C., purchased a ticket from Greenland to Los Angeles, and that when the aircraft landed at Winnipeg he attempted to get off. According to press reports Mr. Holting claimed that he was unaware that he could not debark but, as the house knows, the transport regulations do not permit Scandinavian Airlines to debark passengers at Winnipeg. When Mr. Holting persisted in his efforts the captain of the aircraft called the St. James municipal police, who put him back on board, and I understand that he continued on the flight to Los Angeles.

Mr. Stewart (Winnipeg North): Do I understand, then, that the transport regulations override the basic rights of Canadian citizens?

Mr. Fulton: Mr. Speaker, I do not think there would be any profit in entering into a controversy here. I think the situation, while difficult, is clear. I understand it is a condition of the ticket sold that the passenger must continue through to Los Angeles and cannot debark in Winnipeg.

Hon. George C. Marler (St. Antoine-Westmount): May I ask a supplementary question of the Minister of Justice. Can he tell us what regulations apply to the incident to which he has just referred? He has mentioned regulations of the air transport board. I should like to know what those regulations are.

Mr. Fulton: I do not think I referred to regulations of the air transport board. If I used the word "regulations" I did so in the general sense and perhaps should have used the phrase "conditions of the ticket" which are imposed, I believe, by the agreement under which this air service is allowed to operate into Canada.

Mr. M. J. Coldwell (Rosetown-Biggar): May I ask a supplementary question of the minister of immigration. Is it not a fact that the sale of a ticket to an individual merely precludes the possibility of a ticket sale to Winnipeg; but if the passenger takes a ticket to Los Angeles, and he is a Canadian citizen, could he not disembark even if his ticket read to Los Angeles?

[Mr. Fulton.]

Mr. Fulton: I think that might be an issue that would have to be tried in the courts, and I would not care to express an opinion here and now. I think it should also be noted that, in my understanding, Scandinavian Airlines would be subject to a heavy penalty if they permitted a passenger to debark at Winnipeg. As to the propriety of the action which was taken, it not having been taken by any governmental authority—at least certainly not by an official of the dominion government but by the police of St. James at the request of the air line—it seems to me that it is not the sort of thing on which I should comment offhandedly. As to whether there was any right infringed, it seems to me that if there was the person concerned has an opportunity of asserting that right and having it settled in the courts.

Mr. Pickersgill: I have a further supplementary question of the Minister of Justice.

Mr. Speaker: Before the hon. member asks the question may I warn him that it appears that these questions relate to matters not under the jurisdiction of the minister, and also they ask for legal opinions.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I was going to ask the minister concerned this question. Of course I recognize that the minister should not give legal opinions himself in the house, but in view of the fundamental provision of the Immigration Act that a Canadian citizen has the right to enter Canada at all times it does seem to me—and I am not criticizing the government at all in saying this—

Some hon. Members: Question.

Mr. Pickersgill: Perhaps the hon. gentlemen can possess their souls in patience just a little while. My question is this. Would the minister get from the law officers of the crown an opinion as to whether any Canadian citizen, a police officer or anyone else, has the right to take another Canadian citizen and put him on a vehicle sending him out of the country? It seems to me that this is an extraordinary thing to permit one citizen to do to another, even if he happens to be a police officer. I want to emphasize again—

Some hon. Members: Oh, oh.

Mr. Speaker: I think the hon. member has taken considerable latitude in stating his question.

Mr. Fulton: Mr. Speaker, I think the terms of the question fairly well provide its own answer.

HUMAN RIGHTS

INQUIRY AS TO LEGISLATION PROVIDING BILL OF RIGHTS

Mr. Alistair Stewart (Winnipeg North): May I ask a supplementary question of the Prime Minister.

Mr. Speaker: A further supplementary question?

Mr. Stewart (Winnipeg North): I wish to direct a supplementary question to the Prime Minister. Is he yet in a position to inform us when he will be prepared to bring down legislation providing for a bill of rights for Canadians?

Right Hon. J. G. Diefenbaker (Prime Minister): I answered that question earlier. The matter is still under advisement and consideration.

AIRPORTS

VANCOUVER—INQUIRY AS TO ESTABLISHMENT OF SECONDARY AIRPORT

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): I should like to direct a question to the Minister of Transport, of which I have given him notice. In view of the fact that the former government had committed itself to establishing a secondary airport to the Vancouver international, and as this airport has for the second consecutive month had more landings of planes than any other in Canada, would the minister indicate what progress, if any, has been made in the establishment of a secondary airport in the lower mainland of British Columbia?

Hon. George H. Hees (Minister of Transport): Yes, Mr. Speaker; I wish to thank the hon. member for having given me notice of his intention to ask this question. The Department of Transport is proceeding toward the development of two additional airports to serve the Vancouver area. I have already informed the house that my department is negotiating with the Department of National Defence regarding the transfer of Abbotsford airport which, if taken over by my department, will in due course be developed for use as an alternate for scheduled services presently using the Vancouver international airport. In addition a site at Pitt Meadows has been selected for the development of a small satellite field for use by light aircraft on wheels and floats, and action is presently under way to acquire the land for this purpose.

(Translation):

INQUIRY AS TO CONSTRUCTION OF AIRPORT

On the orders of the day:

Mr. Auguste Maltais (Charlevoix): Mr. Speaker, I should like to direct a question to the hon. Minister of Transport. I am sorry I was unable to give him notice of my intention to do so but, as it bears on a very important matter, he might perhaps answer it right now.

Does the hon. minister intend to recommend to the house that the necessary steps be taken to modify the basis of subsidies granted to the different municipalities in this country which request the assistance of his department for the construction of airports?

May I ask him, as a supplementary question, whether his department has taken a decision concerning the contribution to be made to the airport of Charlevoix, in the province of Quebec?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I shall take the question as notice.

DOMINION-PROVINCIAL CONFERENCE

REPLY AS TO CALLING CONFERENCE ON AGRICULTURAL DEVELOPMENT

On the orders of the day:

Hon. D. S. Harkness (Minister of Agriculture): Yesterday the member for Drummond-Arthabaska (Mr. Boulanger) asked me the following question:

Does the government propose to call a federal-provincial conference on agricultural development?

I answered that question a few days ago. The hon. member will find it in the official report of the debates of the house.

(Text):

THE CANADIAN ECONOMY

EXPLOITATION OF CANADIAN RESOURCES BY KRUPP AND WENNER-GREN

On the orders of the day:

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I should like to direct a question to the Prime Minister. Has the Prime Minister's attention been called to a news report from Bonn, West Germany, appearing in this morning's Montreal *Gazette*, which relates to the reconstruction of the heavy industry cartel in Germany which produced Hitler? In view of the fact that two of the individuals concerned, namely Alfred Krupp von Bohlen and Axel L. Wenner-Gren, are

at the present time preparing to exploit Canadian resources, will the Prime Minister investigate the activities of these gentlemen to see whether there is some way in which the Canadian economy can be preserved from them?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the observations of my hon. friend are in keeping with what one might expect from an hon. member who does not believe in private enterprise.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Private enterprise does not carry with it the right of exploitation. As to foreign capital coming into Canada, it is not the purpose of this government to interfere with that investment. However, we want to ensure—and I think the house generally will agree with that stand—that investment in Canada shall be for Canadian purposes and under Canadian law. Where there is any deviation or diversion in that regard action can be taken under the combines act.

Mr. Cameron: Mr. Speaker, I should like to ask a supplementary question. The Prime Minister made use of the phrase "for Canadian purposes". Does that exclude the use of Canadian resources to rebuild the heavy industry cartel in West Germany?

Mr. Diefenbaker: Mr. Speaker—

Mr. Speaker: Order. Unless the Prime Minister wishes to answer the question, may I say that I consider it to be one that is not in accordance with the rules. As I understand it, it relates to cartels in Germany, and certainly that is a matter which is beyond the jurisdiction of this house at present.

[*Later:*]

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I should like to ask the Prime Minister a delayed supplementary question in view of his answer to my colleague the hon. member for Nanaimo (Mr. Cameron). Does he consider the building of cartels by former leading nazis to be in the interests of Canadian private enterprise?

Mr. Diefenbaker: Mr. Speaker, I want to answer that question. I certainly do not. But the question in the form in which it was asked deserved the answer which it received. As to my hon. friend's last question, may I say that I certainly do not hold that view even in the slightest degree.

Mr. Cameron: I rise on a point of privilege, Mr. Speaker, to protest that no matter what my question was it did not deserve the shoddy answer it got from the Prime Minister.

[Mr. Cameron.]

Mr. Martin (Essex East): Mr. Speaker, on a point of order, you have just indicated that you thought the question put to the Prime Minister was not in conformity with the rules of this house. If that is the case, with great respect, it is not open to a minister of the crown, including even the Prime Minister, to answer a question which in your judgment is out of order.

Mr. Speaker: I would like to ask the hon. gentleman who has just spoken whether he refers to the question asked by the hon. member for Nanaimo (Mr. Cameron)?

Mr. Martin (Essex East): Yes.

Mr. Speaker: I believe that question was not answered.

Mr. Martin (Essex East): I was in error, Mr. Speaker. I was referring to the question put by the hon. member for Kootenay West (Mr. Herridge). Your Honour said that question was out of order but the Prime Minister said, notwithstanding the rules of parliament, "I, the Prime Minister, want to answer."

Mr. Diefenbaker: You are wrong.

Mr. Speaker: I shall be glad to take under consideration the point of order which has been raised as to whether it is in order to reply to a question which is out of order and it may be the hon. member is correct.

Mr. Martin (Essex East): Thank you, sir.

Mr. Fulton: It is based on a misconception.

Mr. Speaker: Actually the question has been asked and is before the house, but I should like to reserve my ruling on that point.

SHIPPING

ST. LAWRENCE RIVER—REQUEST FOR SEPARATE TRAFFIC LANES

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I ask the Minister of Transport the following question. Has the minister taken cognizance of the report in this morning's press of a statement by a member of the Canadian board of marine underwriters that because of the growing number of accidents on the St. Lawrence, separate channels should be provided in the river for both upbound and downbound traffic? Will the minister comment on this recommendation, which is of importance to ship operators, and will he say whether his department will provide separate lanes for shipping on the St. Lawrence as in the connecting channels of the great lakes?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I had not seen the report in this morning's press. I should like to thank my hon. friend for his courtesy in advising me of his intention to ask this question. However, as it arrived at my office just before the house opened I would ask that I be allowed to take it as notice and give an answer on Monday.

ST. LAWRENCE RIVER—STATEMENT ON IMPROVEMENT OF FACILITIES DURING WINTER SEASON

On the orders of the day:

Hon. Howard C. Green (Minister of Public Works): On Wednesday the hon. member for Charlevoix asked me this question, as reported at page 560 of *Hansard*:

Has the Minister of Public Works received any representations regarding the increasing difficulties encountered by winter navigation on the St. Lawrence river north of Quebec, and what steps are to be taken to improve the dock facilities at Pointe-au-Pic, 90 miles below Quebec city?

The answers are yes; representations were made to the Department of Public Works by the comite du Port d'Hiverà Pointe-au-Pic, on September 14, 1957. The necessity for improved wharf facilities there is being studied.

Mr. Auguste Maltais (Charlevoix): A supplementary question on the answer given by the minister. May I ask the minister whether this study period will be over before winter comes along?

Mr. Green: May I assure the hon. member that in the Department of Public Works we always reach the right answer, and reach it very quickly.

Mr. Martin (Essex East): You never answer letters, though.

Mr. Lesage: You take some time to answer letters.

STATEMENT ON FACILITIES TO BE USED AT SAULT STE. MARIE LOCKS

On the orders of the day:

Hon. George H. Hees (Minister of Transport): On Wednesday the hon. member for Port Arthur (Mr. Fisher) asked me the following question, as reported at page 561 of *Hansard:*

Since there are no definite plans to prepare the Canadian Sault locks for deep sea draught vessels, can we assume that the United States locks at the Sault are to be the future passageway of such vessels going to and from lake Superior?

The answer is that the Canadian Sault Ste. Marie lock was enlarged to its present dimensions of 60 feet in width, 900 feet in length and normal draught of 18 feet 3 inches between the years 1887 and 1895. The United States locks were built progressively and afford deeper draught than ours, and have been used as required by Canadian shipping drawing too much water or of greater size than could be accommodated through the Canadian lock.

There is nothing to prevent Canada from improving the facilities at Sault Ste. Marie to provide for the passage of deep sea draught vessels any time she chooses. In view of the adequacy of the United States locks it has not been felt necessary to duplicate, at a very substantial cost to the taxpayers, the facilities at the Sault. It might be pointed out in this connection that the United States use the Welland ship canal.

FINANCE

REQUEST FOR STATEMENT ON TIGHT MONEY POLICY

On the orders of the day:

Mr. E. G. Hansell (Macleod): I have a question, Mr. Speaker, which I would have addressed to the Minister of Finance but I notice he is absent this morning, so I will address the question to the Prime Minister or the parliamentary assistant to the minister. My question is based on the leading headline article in the *Gazette* this morning respecting the government's attempt to alleviate the tight money policy. The article also indicates that there is a rift between the Minister of Finance and the governor of the Bank of Canada. Is the minister prepared to make a statement now as to what the government is doing to remedy the tight money policy?

Mr. Richard A. Bell (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, I can assure the hon. gentleman that all aspects of financial and monetary policies are receiving from the Minister of Finance his usual assiduous attention and consideration. When it is appropriate to make announcements, in accordance with the policy of this government, those announcements will be made in the house forthwith. With respect to any suggestion of a rift I would like to say that I am sure the policies of this government are of such merit that they will commend themselves to public servants as they will commend themselves to the public generally.

Hon. George C. Marler (St. Antoine-Westmount): May I ask a supplementary question of the parliamentary assistant to the Minister of Finance. Could he tell the house what the government has done to improve the tight money situation about which his predecessors complained so bitterly?

Mr. Green: What did you do?

An hon. Member: We are asking you.

Inquiries of the Ministry

Mr. Bell (Carleton): I doubt if orders of the day is an appropriate time to make the detailed presentation to the house which would be necessary to deal with the many things that have been done by this government. If the house will get ahead with its business so that an opportunity for financial discussions may arise, then these things will be outlined in full.

Mr. Marler: Mr. Speaker, I take note that the government is giving no information whatsoever.

BANK OF CANADA—INQUIRY AS TO INDEPENDENT STATUS

On the orders of the day:

Mr. F. C. Christian (Okanagan Boundary): Mr. Speaker, I have given notice of my question to the Minister of Finance, but I see he is not in the house this morning. I would respectfully ask that his assistant, or some other minister, answer the following question. Is the Bank of Canada a semi-autonomous banking institution, as stated in the Montreal *Gazette* of today's date.

Mr. Speaker: That question, if I may respectfully suggest this to the hon. member, is really asking for information which is public information in the statute setting up the Bank of Canada, and it does not appear to me to be a proper question to ask on the orders of the day.

NATIONAL PARKS

INQUIRY AS TO REVISION OF LEGISLATION

On the orders of the day:

Mr. C. E. Johnston (Bow River): Mr. Speaker, may I direct a question to the Minister of Northern Affairs and National Resources. Does the minister intend to revise the park act in order to rescind some of the impractical regulations in that act, and does he intend to review the unfair water and sewer rates levied by the department in Banff in order to give fairer treatment to the people of that town?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, the minister to whom the question was put is absent at the moment on other business, but I will see that this question comes to his attention.

SEARCH AND RESCUE

INQUIRY AS TO ESTABLISHMENT OF CANADIAN COAST GUARD

On the orders of the day:

Mr. H. J. Murphy (Westmorland): Mr. Speaker, I should like to address a question to the Prime Minister. What action has been taken by this government to establish a Canadian coast guard?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I must say that the hon. member's question indicates a desire on his part for action on every matter that deserves attention and which has deserved attention for a long while. When the emergency legislation before the house has received attention, then these matters which have been so long delayed will receive the proper consideration.

An hon. Member: No policy.

FISHERIES

BONAVISTA—CONSTRUCTION OF BAIT DEPOT

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder if I may put a question to the Minister of Fisheries. Can the minister expedite the construction of the bait depot at Bonavista to provide badly needed winter employment?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, I will look into the matter.

POWER

LACHINE SECTION, ST. LAWRENCE RIVER—APPLICATION BY QUEBEC

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of Public Works. Can the minister tell the house whether the government of the province of Quebec has made an application to his department under the Navigable Waters Protection Act for the development of power in the Lachine section of the St. Lawrence river?

Hon. Howard C. Green (Minister of Public Works): May I take that question as notice.

NATIONAL DEFENCE

CAMP GAGETOWN—REQUEST FOR STATEMENT AS TO FUTURE USE

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I wish to direct a question to the Minister of National Defence. In view of the confusion which now exists in New Brunswick and elsewhere in Canada with regard to the future use of Camp Gagetown, would the minister consider making a statement to the house in order to clarify this situation and say if it is the intention of his department to reduce the number of men who will be training at Gagetown next summer?

Hon. G. R. Pearkes (Minister of National Defence): As announced a couple of weeks ago, a training directive was issued which indicated that the regular army during the coming year would train in brigade groups rather than as a division.

Therefore there should not be as many trainees at Gagetown this coming year as there were last year.

Mr. Robichaud: Can the minister state approximately how many fewer men will be training this year than there were supposed to be according to the program which was laid out?

Mr. Pearkes: I cannot say exactly how many.

MINES AND TECHNICAL SURVEYS

SPRINGHILL—REFERENCE TO FIRST ANNIVERSARY OF DISASTER

On the orders of the day:

Mr. R. C. Coates (Cumberland): Mr. Speaker, I should like to direct a question to the Minister of Mines and Technical Surveys. Is he aware that today is the first anniversary of the Springhill mine disaster in which 39 miners lost their lives?

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, when the hon. member for Cumberland asked me a question a few minutes ago I did not understand what he had in mind. I can tell the people of Springhill that this house is in full sympathy with them on the first anniversary of the mine disaster. So far as federal assistance is concerned, that is a matter of government policy; but the people of that district may rest assured we will do everything in our power to help them.

PUBLIC BUILDINGS

SOREL, QUE.—STATEMENT ON REPORTED PATRONAGE IN EMPLOYMENT OF WORKERS

On the orders of the day:

Hon. Howard C. Green (Minister of Public Works): On October 30 the hon. member for Richelieu-Vercheres asked me a question as reported at page 563 of *Hansard*:

> Has the minister's attention been drawn to the fact that in the selection of workers for the construction of the post office building in Sorel the federal employment bureau has been completely by-passed, and that discriminatory political patronage is practised on a large scale? If so, what does the government intend to do about it?

The answer is that this work is being done by a general contractor and the Department of Public Works has no control over the people he hires, subject to the fact that in the contract there is a term which makes it necessary for him to hire local labour where such is available.

Mr. Lucien Cardin (Richelieu-Vercheres): Will the Minister of Labour not consider advising the contractor of the regulations directing him to utilize the services of the employment bureau in Sorel for the construction of the building?

Mr. Green: We have no authority to tell the contractor how he must get his employees. We can insist that he hire local labour, but it is entirely within the discretion of the general contractor as to how he gets those employees.

Mr. Chevrier: You can give him a hint.

Mr. Green: Mr. Speaker, I do not doubt that the previous government gave those contractors a great many hints. We are trying to do a little better.

Mr. Pickersgill: You give them directives. Ask the Postmaster General.

BRIDGES

THREE RIVERS-STE. ANGELE—STATEMENT ON REPORTS CONCERNING CONSTRUCTION

On the orders of the day:

Hon. Howard C. Green (Minister of Public Works): On October 30 the hon. member for Levis asked me a question in these words, as reported at page 567 of *Hansard:*

> Have reports been made to the department regarding the construction of a bridge between Three Rivers and Ste. Angele in the province of Quebec?

The answer to that is—

Mr. Maurice Bourget (Levis): There must be a mistake. I did not ask for reports; I asked if a request had been made for the construction of a bridge, not reports.

Mr. Green: I wondered about that. *Hansard* reads "reports".

Mr. Bourget: I did not see *Hansard.*

Mr. Green: There has been a request from the municipal corporation of the parish of St. Antoine de la Baie du Febvre. This has also been drawn to my attention by the Solicitor General.

TRADE

STATEMENT ON MISSION TO COMMUNIST CHINA

On the orders of the day:

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I have an answer now for the hon. member for Rosetown-Biggar (Mr. Coldwell) and other hon.

members who asked questions concerning the proposed visit of our trade commissioner to China.

China is part of the trade promotion territory of our trade commissioner in Hong Kong, and in the course of his normal duties he is expected and required to visit all parts of his territory. In December, 1955, China was listed as falling within the responsibility of Canada's trade commissioner in Hong Kong. The proposed visit to China is, therefore, in no sense a trade mission but rather an exploratory trip by an officer through a part of his territory.

A year ago, following the successful visit to China of the Australian trade commissioner in Hong Kong, our trade commissioner reported fully to the Department of Trade and Commerce and at the same time suggested the desirability of a similar visit by himself. This was taken under advisement, and during the course of the year an exchange of correspondence took place between the head office in Ottawa and the trade commissioner in Hong Kong, in an attempt to determine whether the present would be an appropriate time to undertake a visit to China. In view of the increasing interest in China by Canadian and other businessmen the officials of the department decided to recommend an exploratory visit.

Mr. Forsyth-Smith will be accompanied by Mr. T. M. Pope as an assistant trade commissioner. The officials will carry no credentials beyond the customary diplomatic passports provided all trade commissioners. Mr. Forsyth-Smith and his assistant are planning to leave Hong Kong about November 5. On their return to Hong Kong the trade commissioner will report fully on trade possibilities and it is, of course, to be hoped that his visit will uncover opportunities for the sale of additional non-strategic products in China.

Mr. M. J. Coldwell (Rosetown-Biggar): May I ask a supplementary question. The minister said the officials would carry Canadian passports. What provision is made for obtaining visas from the government of the Chinese mainland; because I presume the government of the Chinese mainland will require visas, as other countries do? What provision is being made to secure them?

Mr. Churchill: The trade commissioner has made those arrangements. When I was answering this question earlier in the House of Commons and said that plans had not been completed, at that time he had not obtained his visa from the Chinese authorities. Subsequently he reported that he has obtained a visa and his papers are in order.

[Mr. Churchill.]

Mr. Bryson: May I ask a supplementary question. Would the minister give the house his definition of a non-strategic material?

Mr. Churchill: The question of strategic materials has been discussed in the House of Commons on many occasions in the last few years, but certainly non-strategic materials would be foodstuffs such as wheat, and that is the main interest at the present time. Hon. members may have noticed that a serious crop situation has developed in China recently, and there is grave danger of starvation of many of the Chinese people. If hon. members are interested there is an article in the current issue of *Time* which deals with that matter.

Mr. A. M. Nicholson (Mackenzie): May I ask the Prime Minister a supplementary question. In view of the fact that public funds are being spent to send a delegation to China, will the Prime Minister reconsider the question of recognizing the government on the mainland in the hope that we may extend our exports?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I think the experience of the United Kingdom, which recognized communist China prior to the Korean war, has added little to the extension or expansion of trade between that country and communist China. There is nothing inconsistent about endeavouring to trade and at the same time not recognizing the government of that country. The attitude of this government is unchanged in that direction, and until such time as the people's government, the communist government of China, expiates its wrongdoing under international law there certainly will be no justification for the granting of recognition, as we see it.

Recognition under international law in the past used to be a juridical act, but today the information we have indicates that recognition would be regarded by various countries in Asia which have withstood communism as an act of more than legal recognition and, indeed, would be interpreted as a recognition of communism as such and would afford to those who today resist communism the removal of a major incentive that has impelled them to take their stand firmly against the onrush of communism throughout portions of Asia.

Hon. Paul Martin (Essex East): I should like to ask a supplementary question. The Prime Minister has said that if the so-called Chinese people's republic expiated its crimes, then his government would give consideration. Does he mean by expiation that if they undid their participation in the Korean war

the government would do so, or does he wish to add to that the reasons which the government of the United States has given as well?

Mr. Diefenbaker: Mr. Speaker, in no way accepting the interpretation of my remarks as placed thereon by the hon. member for Essex East, may I say that our stand is unchanged with regard to recognition. It might be epitomized in the words of a former prime minister of this country, paraphrasing those words to apply them to the present circumstances: not necessarily recognition but recognition when necessary.

An hon. Member: If necessary.

Mr. Diefenbaker: In other words the matter is subject to constant revision, but there is no purpose, intentionally or otherwise, at this time or in the immediate foreseeable future, to bring about recognition.

Mr. Martin (Essex East): In view of the importance of this question could the Prime Minister be more precise as to what he means exactly by "expiation"?

An hon. Member: Look it up in a dictionary.

Mr. Martin (Essex East): I have asked the Prime Minister a question and he has not replied. I take it he does not intend to answer a very important question.

Mr. Diefenbaker: Mr. Speaker, my hon. friend can look up the dictionary definition of expiation, and I am sure under those circumstances he will have a full answer.

Mr. Claude Ellis (Regina City): I should like to ask a supplementary question. If the Prime Minister feels that recognition of the government of the Chinese mainland might imply approval, would he say that diplomatic recognition of the U.S.S.R. implies any measure of approval on the part of the Canadian government?

Mr. Speaker: Order. This seems to be developing into an argument or debate. In view of the rather important statement which the Prime Minister has made I am quite prepared to have comments, but I think the hon. member for Regina City will be willing to let that question stand.

Mr. Ellis: Mr. Speaker, I think it is a matter arising out of the answer given by the Prime Minister, and I believe it is a very important point. If the Prime Minister feels that diplomatic recognition involves some measure of approval, how does he justify the fact that Canada today recognizes quite a number of countries whose governments certainly by no stretch of the imagination could be considered acceptable to the Canadian people?

Mr. Speaker: My point, and I would ask the hon. member for Regina City to consider it, is that I do not feel we should now enter into a debate on foreign policy, and that is what we would do if we pursued this line of questions and answers. In view of the fact that the Prime Minister did make a lengthy and important statement I said I was prepared to hear briefly spokesmen for the official opposition and the other parties, but I do not think I should admit questions of an argumentative type.

Mr. Claude Richardson (St. Lawrence-St. George): May I ask the Minister of Trade and Commerce a supplementary question. Since the government has taken office has the minister or the government received any representations from or had any communications with any parties in Canada regarding the possible sale of wheat in China?

Mr. Churchill: I am not aware of any representations made to the government with respect to the question asked by the hon. member.

Mr. Coldwell: Mr. Speaker, some time ago I asked the Minister of Trade and Commerce about the proposed visit to Japan, widely publicized in the press, of Mr. Ezra Benson, United States secretary of agriculture, and the acceptance of Japanese currency for United States wheat, such currency to be invested in Japan. Has the minister made any investigation of the matter, and what steps does he propose to take in order that we may safeguard the market which we have promoted in Japan?

Mr. Churchill: Mr. Speaker, I am not quite clear as to whether I should keep under surveillance the movements of Mr. Benson.

Mr. Coldwell: I am not suggesting that.

Mr. Churchill: I think he is entitled to go anywhere he wishes to promote trade between the United States and other countries. This is not the beginning of United States trade with Japan; far from it. The United States has encouraged the consumption of wheat in Japan and is doing so at the present time. Canada has benefited accordingly from that, because as wheat becomes more acceptable in countries where the people are normally rice eating, there is greater prospect of the sale of Canadian wheat.

We are taking no steps with regard to Mr. Benson's visit to Japan. We anticipate that our trade in wheat with Japan will be maintained at its present level. Japan is our

third best customer for wheat and we think that trade will be improved, but I cannot quite see the connection between that situation and the visit of Mr. Benson.

Mr. Coldwell: May I just give the connection. Recently there was a conference between the Minister of Trade and Commerce and other representatives of the Canadian government and the United States government. I understood it was agreed that the United States would discontinue methods of marketing that interfere with Canadian trade. Does the minister consider that the taking of Japanese currency for investment by the United States in that country, in payment for wheat, is in any way carrying out what is believed to be the understanding reached at Washington?

Mr. Churchill: The meeting at Washington was certainly very profitable. We achieved complete understanding with the United States representatives concerning their surplus disposal program. The chief damage of the United States surplus disposal program as it affected Canadian sales of wheat was due to their method of bartering wheat for strategic materials, and we have had an assurance from them that this will be discontinued.

Now, there are other methods of disposing of wheat, through sales for local currency, as has been mentioned by the hon. member. This course has been followed where wheat has not, over the years, been accepted by the population. There may be no permanent damage done. The sale of wheat for local currencies has been made by the United States in a number of countries, but I do not see how we can raise any objection to that unless there is an interference with a traditional Canadian market. In this instance I do not think any harm is going to result at all.

Mr. Coldwell: It seems the United States did fix us, then.

Mr. T. S. Barnett (Comox-Alberni): May I ask the Minister of Trade and Commerce this question. Has the trade commissioner in Hong Kong been given specific instructions to explore the possibility of developing a market for Canadian forest products on the mainland of China?

Mr. Churchill: Our trade commissioner who is visiting Hong Kong will naturally look into all aspects of possible Canadian trade with China and will report to us.

I just caught an interjection, Mr. Speaker, by the hon. member for Rosetown-Biggar, which if I caught it correctly was that the United States did fix us. There was no fixing of the Canadians by the United States representatives when we were at Washington. It was a first class and useful meeting. There was an exchange of views in a way in which I think they had not been exchanged in the past at all, and the United States government has a better understanding of Canadian problems than it ever had before.

Mr. Pickersgill: That is quite true.

Mr. Murphy (Westmorland): Did you call them buccaneers this year?

Mr. C. W. Carter (Burin-Burgeo): May I ask a further supplementary question of the Minister of Trade and Commerce, arising out of the reply he just gave to the hon. member for Comox-Alberni. He stated that the trade commission to China would be interested in selling all sorts of non-strategic materials. In view of the fact that China was one of the important markets for Newfoundland squid, will the minister instruct his commission to see what the possibilities are for having that market reopened?

Mr. Churchill: Mr. Speaker, to assure the hon. member perhaps I might give a little information on what has happened in the past. Pre-war Canadian exports to China were valued at $3.7 million annually and comprised timber and lumber products, pulp and paper, flour, fish, fertilizers, aluminum and other products. Last year China's purchases amounted to only $2.4 million, consisting of ammonium sulphate and phosphate fertilizers. The trade commissioner's purpose will be to determine whether possibilities exist for extending this trade in such products as wheat, paper, pulp, lumber, flour and fish.

HIGHWAYS

LAKE ATHABASCA AREA—INQUIRY AS TO FEDERAL PARTICIPATION

On the orders of the day:

Mr. J. H. Harrison (Meadow Lake): I should like to address a question to the Prime Minister, if I may, arising out of the answer he gave the house of few minutes ago concerning emergency measures which in his consideration should be dealt with now, and then some other matters later. I wonder if he would indicate to the house, and particularly to the west which is most concerned about this, when some consideration might be given to participation by the federal government with the provinces in the construction of a highway to the lake Athabasca area.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, matters such as that, in connection with the national development policy, will receive consideration in due

course. This is but one of several projects in respect of which there has been consideration given in the past to co-operation between the federal and provincial governments. When and if we are in a position in the next few weeks to arrive at a definite arrangement or conclusion, then of course the house will be made aware of the situation.

OLD AGE SECURITY ACT

AMENDMENTS RESPECTING ALLOWANCE AND RESIDENCE QUALIFICATIONS

The house resumed, from Thursday, October 31, consideration in committee of the following resolution—Mr. Monteith—Mr. Courtemanche in the chair:

That it is expedient to introduce a measure to amend the Old Age Security Act to increase the amount of monthly pensions payable thereunder to fifty-five dollars per month, to reduce the basic residence requirements for pensioners from 20 years to 10 years and to increase the length of permissible temporary absences of pensioners from Canada from three to six months.

Mr. Hansell: Mr. Chairman, I think we may have expected that this resolution would have passed before last night's adjournment. Since it did not, I take this opportunity of placing before the minister a question. I am doing so now because the answer may involve some statistical research over the next day or two. I am interested particularly in that part of the measure which deals with old age security recipients being able to go to another country and perhaps reside there if they choose to do so. I recognize that the measure is going to extend the period of time during which old age security recipients can be away from Canada from three months to six months. They can be away for six months one year, and if those are the last six months in the year they can be away six months in the following year. This would made an absence of a year. However, they cannot go away again then until the year following that.

We appreciate this extension of time, but I do believe it is not good enough. We have advocated on the floor of this house that if a person resides in Canada for the required length of time to become eligible for old age security and then finds it necessary to go away, he should still be able to leave the country and draw his old age pension.

To some that may not sound too reasonable, but to some of us it is most reasonable. I stated previously on the floor of the house that I had two specific cases which I think merit a good deal of consideration. One of those cases is that of a gentleman who, by reason of his health, apparently must live in England where he has relatives. This gentleman came to this country when he was a young man, farmed in this country and later set up business in a small community. He reached the age of 70 years and retired, but he retired on a very small amount of money after the sale of his small business and was obliged to go to England. He found that his health was much better there. However he returned again to Canada, desiring to settle once again, but his old malady came back again so he returned to England where he was free from it. The result, of course, was that his old age security pension was cut off.

The other case I have is similar. A gentleman came here in the early days, in the previous century, and homesteaded in Canada. He went through extremely difficult times. He went through the hungry thirties, and in those years he was forced to sell his farm. However, he managed to scrape through. He became 70 years of age, was in receipt of the pension and went back to his old home town in the United States. It so happened that he married there and that his wife did not see fit to come back to Canada. He therefore went to reside there. He has no income apart from the income he may have received from his old age security pension, but it was cut off.

It seems to me that in such cases that treatment is unjust. The man had lived here, had put in his life here, had done something for the country, and yet he finds that he cannot be in receipt of his old age security pension. The situation is accentuated now more than ever because the recipient of old age security pension has been paying into the old age security fund into which we all are obliged to pay. I therefore say that we should extend the provisions of the act to include all those who wish to reside in other countries.

There is another argument I have, and it is this. Under the British pension scheme old age pensioners, after they receive their pension, can come to Canada and live here and the British government still pays their old age pension while they are living here. I want the minister to consider making a further amendment to enable people to receive their pensions even though they live in some other country. The number of those who would leave the country is nominal, I am sure. Most aged people who have put in their lives here, have established their homes here and whose families are here would remain in Canada except in the case of some extenuating circumstances.

My question to the minister is this, and perhaps he would answer it at a later date. I do not expect him to have the figures at

his finger tips. I should like to know how many recipients of old age security have been cut off from their pensions by reason of going to some other country to live. I think the figures would be almost infinitesimal compared to the over-all picture. For the life of me I do not see why they are cut off. I would ask the minister to consider that part of the act and bring down those figures for the enlightenment of the house.

Mr. Coldwell: Mr. Chairman, may I just say we have been asking for this same thing for a long time, as have many members on all sides of the house.

Mr. Hansell: As a matter of fact I think that some of the Conservative members recommended it when they sat over there on the other side.

Mr. Coldwell: That is right. I want to reinforce the argument with regard to the payment of the pension. It is true that the people who are receiving it today are not yet paying a very substantial premium. However, they are paying a premium, and it is therefore paid as of right. But the younger people who are paying sales tax and 2 per cent income tax will, by the time they reach 65 or 70, have paid a substantial premium indeed on an annuity, and they should have it as of right.

The other day, as a matter of fact, I was reading a debate that took place in this house in 1936. The hon. gentleman can look it up. It was on an unemployment measure. Right Hon. R. B. Bennett was speaking and he introduced this very matter in that speech. He said that recently he had been in the Antipodes—and I use his own word. He said that down there a feeling prevailed that there should be some reciprocity between the various members of the commonwealth such as, for example, New Zealand and Canada.

I am not asking for that reciprocity because I think this should be as of right, but at least in the commonwealth recognition should be given to residence outside. I would go beyond that, of course, and say that a senior citizen should be allowed to reside wherever he or she chooses to reside when the pension is payable. But in any event, even Mr. Bennett as long ago as 1936 spoke of his visit to the Antipodes and the necessity for some arrangement within the commonwealth countries. I thought I would bring that matter to the attention of the minister.

Mr. Fisher: Mr. Chairman, it seems to me that the government house leader last week cleared the air here to a considerable extent when he made the point that everyone in all parties seemed to agree with the principle of old age pensions, and that he felt we should be ready to leave the stage where each party is trying to muscle in for its share of the credit or in some cases for all the credit.

In addition, it seems to me that there is quite a large measure of agreement that the scheme threshed out by the 1950 committee and the subsequent legislation have been generally satisfactory. I refer to this idea of the universal scheme, semi-contributory and largely pay as you go. But the key point that bothers me, as the representative of a number of constituents, is the individual sum of money to be paid now or in the future.

I should like to preface my remarks on this matter with two qualifications. The first is a party one. We in this movement feel that there should be an over-all social security program in detail and well thought out, of which old age pensions is only one important facet. Second—and this is more immediate to me as the representative of a constituency—most of my correspondence since June 10, roughly about 75 per cent of it, has dealt with old age pensions, and the key to that correspondence is, "How much?".

People generally seemed to be enraged at the idea of $46 a month. They were thrilled but were not very hopeful at the idea of $100 a month. Most of them seem to feel that somewhere between $65 and $75 would be an ideal figure. Is it possible to get a just pension scheme and set it on some sliding scale that will remove this topic from political promise and counterpromise?

As politicians we should be aware of how fine a thing it would be if we could take this particular issue right out of political controversy.

For example, I imagine the Liberals felt that Mr. Harris with his $46 was being politically courageous, but now they are probably wondering whether he was politically astute. None of us should really want to continue this game of what I call the high-low split. On the face of it the electorate chose the group which had the mystery hole card but that hole card of course has now been revealed to be $55 per month.

The minister who introduced the $55 a month did not state clearly that that was the final figure of his party. He did tell us at page 385 of *Hansard* that by approving this increase the parliament of Canada will be setting the benefit for our senior citizens at the highest level, both in dollar terms and purchasing power, that it has ever been in the 30-year history of old age pensions in this country. I have looked at the chart which he was kind enough to show me and have compared it with some dominion bureau

of statistics figures and that statement certainly seems to be true. But the minister went on to say:

> We make no extravagant claims as to the generosity of the amount we are now proposing. It is my view, rather, that we should try to measure what we are doing here not in terms of generosity but in terms of justice.
>
> This government does not believe that it should try to make a good fellow of itself with the taxpayers' money—

He is changing the tone a little here. The government is not going to be spendthrift with the taxpayers' money. Well, I do not think anyone in this house is going to disagree with these points. We do not want the government to be good fellows with the taxpayers' money and we do want just and fair treatment, but what is the equitable basis in terms of the actual sum these people should get?

The minister went on to make reference to other countries and made comparisons that showed, in relation to the United States and I believe Britain, that we are doing very well or are going to do very well. I noticed in reading back through the speeches of the former minister of health that this was one of his favourite methods, to make a comparison with other countries. I have always felt that there is very little point in such an argument to the old age pensioners themselves. It reminds me of a cook in our regiment who, every time we complained about his cooking, used to say "You think this is bad, but you should have seen what it was like in the last regiment I was in." That is no consolation.

I would like to see if we could get to the point of whether this 1949 figure of $40 was fair at that time. I would like to see the minister table that information in *Hansard*, and with it I would appreciate it if he would place in another column the figures of the gross national product in those particular years. I would like to know whether the $55 pension is really fair now and whether the government has any means of proving to us or arguing that it is fair. I would like to know whether we should have a flexible pension tied to the cost of living index.

If we could obtain this information exactly we would have a start, because that is the figure which is fundamental in any scale that is sliding. Would a flexible pension tend to freeze our fiscal policy? I think we should find out something about that. The argument of this particular party has been that the pension should be related to the gross national product.

Well, in summing up all these questions I really do not know what should be the exact figure in order to be fair, but I do feel that it should be higher than $55 per month in view of the pleas of my constituents, and I feel that consideration should be given to the gross national product aspect. I would be the last one to suggest the appointment of another commission, but I would like to see some sort of consideration given to how we can arrive at a just figure to take this whole question of the old age pension figure out of electioneering.

Maybe I am being naive and it should be left in so we could go around playing this kind of game and shouting out the highest or the lowest or the mystery number, but I do think we should try eventually to take this figure out of electioneering.

In conclusion I would like to say that I am most interested in the fact that a social development is taking place with respect to our old age pensioners very much the same as is taking place in the case of teenagers. They seem to be moving out of the family circle or the sort of vertical line within the family and congregating among themselves in various homes, clubs and associations. They are obviously becoming a very powerful pressure group. I think this is good. It seems to me that people with a common interest should form themselves into a pressure group, but we are becoming more and more aware of their power and the sooner we can give this pressure group which, is you might say, improving its pitch, a figure which is generally accepted as being just and fixed to some sort of scale, the better off we will be and the better off they will be.

One last remark in relation to the speech of the hon. member for Rosetown-Biggar. In my particular constituency I would say over half the population has some kind of root in Europe, especially in Finland. I do not know what the general view would be of an ethnic group coming to Canada, making a tremendous contribution in terms of work and development of the backwoods, yet retaining its native language and its ties with the old country. Personally I cannot look down my nose at them for that. I think they have made perhaps the most solid contribution of any group in our area, but many of these people, because they have kept their ties and because they can speak perfect Finnish, do go back to Finland in their old age.

Under the present arrangements we cannot pay their pension, and that is therefore a factor against them. I would support all the other arguments which have been advanced urging that we should wipe out this classification, and I certainly agree that we should obtain figures on how many people

have been affected by the movement of old age pensioners out of Canada in the past.

Mr. Christian: I rise at this time, Mr. Chairman, to speak to this resolution. I would first of all confine myself to the increase of the amount of the old age pension from $46 per month to $55 per month. I am particularly concerned with this problem because I come from the Okanagan Boundary area to which I referred the other day as the California of Canada. We have in that area a large number of old age pensioners who live there because of the beautiful nature of the country and because of its very mild climate.

As members of this house we have no information before us with respect to why the government specifically decided upon the amount of $55 per month. In this house on October 29 I asked a question of the Minister of Finance as to whether the tax revenue of the government in the next 12 months would be equal to or greater than the government's tax revenue in the past 12 months. I did not receive an answer, but the reason I asked that particular question was in order to gain information to help me decide what the specific amount of the old age security pension should be. There is to my knowledge no information at the present time as to how the government decided the amount should be $55 a month.

I think information should be given, particularly to the younger members of this house, as to why that particular amount was decided upon. Why should it not be $60 a month? Personally I would like to see that amount be $60 a month. I realize, of course, that this government has many other responsibilities and that many heavy burdens are cast upon it, but I would like to receive some reasonable answer from the minister as to why this particular amount was decided on. I presume the government takes in sufficient revenue to pay $60 a month? I presume the government's tax revenues are sufficient for this purpose. Let me put it as a question. Are the government's tax revenues sufficient to enable it to pay the old age pensioners the sum of $60 a month? That is the first point I wish to bring to the attention of the committee.

With regard to the second item in the resolution, relating to reducing the period of residence from 20 years to 10 years, I consider this to be a progressive step indeed. I was surprised personally that the government had been able to reduce the period of residence to this extent. I feel, as does the Minister of National Health and Welfare, that there should be some restriction as to residence, because after all the people of this country who worked hard to bring about this development, the people who have resided in this country for a number of years, are the ones who should participate in the benefits of old age security. I shall not deal with this point further because I think the government has taken the right course in this regard.

However, I would like to raise a third point which deals with the temporary absence of pensioners from Canada, absences of between three and six months. Under the Old Age Security Act provision is made in section 5, subsection 1, statutes of Canada, 1951 (2nd session) as follows:

> Where a pensioner absents himself from Canada, payment of his pension shall be suspended immediately following the payment for the month in which he so absents himself, but may be resumed when the pensioner returns; and where the pensioner returns to Canada within six months from the time he left Canada, the pension upon being resumed may also be paid for a period of such absence not exceeding three months in any calendar year.

That provision has the effect of penalizing the pensioner, and this government did at least see the wisdom of increasing the permitted period of temporary absence from Canada from three months to six months. In that respect, however, I do not feel the government has gone far enough, and I think the best way to explain my point would be by reading from correspondence which has come to my attention. I would like the facts of this matter to be on record in *Hansard*.

I received a letter, the original of which I have, from an old lady in Cascade, British Columbia. I shall not read it all, but I shall read the relevant part. It is from Mr. and Mrs. J. A. Bertois, dated September 5, 1957, and it reads as follows:

> We are old pioneers here, "old and sick people" now, so would like to ask your advice and your help. Mr. Bertois is 84, November 1—lived here 64 years at Cascade. I am 77 November 27 and have lived here 59 years last March. We have been in many businesses and have paid a lot of taxes. I got my back hurt in a car accident last fall, so I can't take care of my invalid husband alone any longer. He has had hardening of the arteries for 12 years—getting worse every year—and now can't take a step alone, and with my bad back I can't hold him up. So I want to ask you and the government if you could arrange some way to let us live with our daughter in Los Angeles permanently—

The word "permanently" is underlined.

> —and our pension cheques—

Those words, too, have been underlined.

> —mailed to us there. That would be heavenly for us.
>
> There were rumours that such arrangements would be made, or should be made, so very old pensioners could go and let the children take care of their old and sick parents.

Then later on I received a further letter from the same lady at Cascade, dated September 14, 1957, in which she said:

> Your very kind letter and copy was received, but now we have had real bad news. Mr. E. A. McGovern, our son in law at 1148 South Plymouth, Los Angeles, California, was in a car accident and the following day died in the veterans' hospital at Los Angeles and is now buried. Why this terrible thing should happen, God only knows.
>
> Now our dear daughter is alone and needs us, as much as we need her, so as soon as we can possibly get lined up we must go to her. Our daughter is a Vancouver General hospital graduate, R.N. also a United States R.N. So she is such a help and comfort to us in dear dad's sickness, and now she also needs us to comfort her.

Mr. Chairman, I was very much pleased when I read of the resolution which was passed by the senior citizens' association of British Columbia at its fourth annual convention held on June 3 and 4, 1957. This was the resolution:

> Resolved that this convention of the senior citizens' association of British Columbia requests the federal government to amend the Old Age Security and Old Age Assistance Acts to make it possible for the pensioner to receive his pension in any country in the world.

I appreciate that steps are being taken to improve the situation so far as temporary absences are concerned, but I feel it should be a matter of right that our older citizens should have that individual freedom to which they are entitled, and that in the latter days of their lives they should be able to reside wherever they please and wherever they can receive the greatest comfort and attention. I therefore bring this matter respectfully to the attention of the government and express the hope that they will consider what can be done.

All hon. members will agree, I am sure, that it is most important we should pay fair and realistic pensions to the senior citizens of this country.

Mr. Rynard: Mr. Chairman, I am sure it is a pleasure for me to speak on this resolution regarding old age pensions. There are a few points I would like to bring out in support of this bill. Surely none of us would deny the maximum amount of assistance to these old people, in keeping with the ability of this country to pay.

Let us examine a few of the facts. First, the savings of the great majority of these people have been severely deflated over the last several years, necessitating, the depletion of the purchasing power of these savings. The other observation I would make is that those savings were compiled when they had to work a 10-hour day six days a week to earn as much as is earned in an hour today. All of this we have to consider, and we should realize, too, that those people laid the foundation for what we are enjoying in this great country today.

That fact, I believe, was partially expressed or conceded by the hon. member for Coast-Capilano when he suggested that the government had perhaps not taken this fact fully into account when it provided a 15 per cent increase.

Now let us take a look at the housing and food factors. Since 1950 food has increased 22 per cent in price; housing has increased 36 per cent. Our proposed increase is 37½ per cent, which allows us a little leeway, and only a very little, I admit, to look after the loss through deflation of those senior citizens' savings. So I believe our legislation has been realistic. I am sure all of us on this side of the house feel it is not enough, but economic factors must also be taken into consideration.

Furthermore, I have this to add. More of us will be living to 70 which is the life expectancy now for children born in this era, and it necessarily follows that we will have an ageing population on our hands. It also follows that more of these people will necessarily be employed in the older age groups than ever before.

I must say a few words on the cutting down of the residence from 20 years to 10 years as applied to immigrants to this country. I think that is a very necessary move, and I believe anyone who opposes this has lost sight of a very basic factor in that the great majority of those people will be healthy, young people right at the start of their working careers. Some of them will be skilled, others will not be, but let us consider this fact. We have put no care or costs into these people. We have paid them no baby bonuses. We have paid no hospitalization, no medical fees, nor payments for education for their bread and butter from the time they were born. We did not even pay for the mother's hospitalization or prenatal care.

As a matter of fact we are being handed a large sum of money already invested in those people, and this sum is estimated at from $20,000 to $200,000, depending upon the skill and training of these people. For those very few who come in under other circumstances—and there will be a few—we would be just as far ahead to give them this pension as to look after them in form of relief.

In conclusion may I say we have approached this Old Age Assistance Act with sympathy, realistically looking at all the factors that have to do with this legislation under consideration at the present time.

Mr. Marler: Mr. Chairman, is the minister not going to answer the questions that were put to him with regard to this resolution before its carries? There were two that I should like to remind him of particularly. The first was the question of gearing the old age security to the cost of living, and the second was the more sordid question, let us say, of what measures the government is going to take so there will be some measure of equilibrium between the payments out of the old age security fund and the contributions made to it through the three taxes: sales tax, income tax and corporation tax.

Mr. Leboe: I have one or two very brief observations to make before the minister replies. There has been some discussion here this morning with respect to arriving at a particular figure for social assistance, which includes this resolution which we have before us. I would like to suggest that in arriving at a figure of social assistance in respect of any of these matters the total amount of consumer goods available in Canada, taking into account our productivity and our ability as individuals to consume goods and services, would give us a sound basis on which we could judge whether we can pay so much here or so much there, because in our opinion if it is going to be continually based on dollars and cents we shall not arrive at a basis of the amount of goods and services we actually have available to divide amongst our people in a way which will give our senior citizens the standard of living they require.

I have a question which I would like the minister to answer before he concludes. Does the government consider that the earmarking of tax revenue, so far as the sales tax is concerned, constitutes a contribution on the part of the individual? Frankly I do not think it does. If the tax is earmarked for any specific purpose that, to my mind, is the earmarking of the tax and is not necessarily a contribution. We pay taxes, and if the government sees fit to earmark those taxes then they are earmarked, and cannot be considered necessarily a contribution.

Mr. Martin (Essex East): The hon. member for St. Antoine-Westmount inquired whether the minister was going to answer some questions, as I did last night. Is it his intention to answer the questions?

Mr. Monteith: I wanted to make sure there were no more.

I intimated last night, Mr. Chairman, that I thought this resolution should be carried so we would get the bill in our hands and give it close examination on second reading and at the committee stage. I still think that

is correct. However, a couple of questions were asked this morning and I will answer them specifically.

Last night the hon. member for St. Antoine-Westmount referred to a report in the Toronto *Daily Star* of April 25 concerning a speech made by the Prime Minister in Toronto and said, as reported at page 625 of *Hansard*:

> I therefore want to emphasize, Mr. Chairman, the fact that there were three points in this promise. First, the payments would be high enough to meet the needs of the recipients. Second, the payments would be adjusted from time to time to keep pace with increases in the cost of living. Third, the payments would be geared to national productivity.

Well, if I might point out, Mr. Chairman, we are raising the pension to $55 monthly and that, in our judgment, constitutes a fair and reasonable level of benefit at the present time. It will be sufficient in our judgment, together with the other means that most pensioners have at their disposal, to provide a decent minimum level of living for most pensioners.

In raising the pension to $55 a month we are increasing it to a figure 37.5 per cent in excess of the $40 level which prevailed at the first of the year. The cost of living index, by comparison, has risen only 23 per cent since 1949, and only 5 per cent since 1952 when old age security payments commenced.

In raising the pension to $55 a month we are in fact increasing it to keep in step with national productivity. This was the third of the points referred to by the hon. member last night in his remarks concerning the Prime Minister's speech. Here are the facts and figures in support of my contention, Mr. Chairman. In 1952, when old age security began, the gross national product was $23¼ billion. In 1957 it had risen to an estimated $30.8 billion, according to latest figures. This increase amounts to 32.4 per cent, and during the same period the increase in pension level amounts to 37.5 per cent.

I submit, Mr. Chairman, that this shows clearly that on the three points referred to in the Prime Minister's speech we have met our commitment. One, we have raised pensions by this proposal to a fair and reasonable level. Two, we have adjusted it by these proposals for the cost of living increase since old age security began. Three, we have adjusted by these proposals for the increase in national productivity as reflected in the gross national product since old age security began in 1952.

I think this question was asked. What did I think of the fund raised by the 2-2-2 formula? I personally do not consider it a contributory scheme, certainly not in the full

sense of the word. I know there are arguments for and against, but the amount required each year has never been met by that formula. The amount has varied. The last complete picture is, I think, that it did come fairly close to meeting it prior to the recent rise and the one proposed right now; but actually, because of the demand on the consolidated revenue fund, I have not considered this actually was a fully contributory scheme.

If there are any other specific questions at the moment I will answer them, but I still think it would be advisable to get the bill and proceed with second reading.

Mr. Martin (Essex East): Is it my hon. friend's intention to proceed with the bill today, or does he intend to proceed with the resolution respecting old age assistance?

Mr. Monteith: I have three other resolutions before we come back to second reading of this measure.

Mr. Martin (Essex East): That is what I understood. I do not want to press my hon. friend if he feels that all these questions will be dealt with on the bill and that we will be free to ask questions—

Mr. Monteith: Right.

Mr. Martin (Essex East): —on all matters whether, or not they are included in the bill—

Mr. Monteith: Now, just a minute.

Mr. Martin (Essex East): My hon. friend has raised a very important question in his remarks. He said, for instance, that as far as he personally is concerned he does not believe in the formula that was recognized in 1951 by the parliamentary committee.—

Mr. Monteith: No, I did not say that.

Mr. Martin (Essex East): —because it was not fully a contributory scheme. The committee and the government of the day never suggested for one moment that the scheme was fully contributory. It was contributory, as the present Minister of Finance has repeatedly indicated in previous discussions in the house, in the only way it could be if we were to have a universal scheme.

At least one of the schemes in the United States, the superannuation scheme, is a fully contributory plan and, as I said the other day, it has a lot to commend it. But the difficulty is that it only reaches a segment of the population. There is no way of having a universal scheme other than the partial feature of contribution that we have in our scheme, a scheme which the Minister of National Health and Welfare knows was supported by all groups in the house. But he has said today that he does not consider this scheme to be fully satisfactory.

Mr. Monteith: I said I did not consider it to be fully contributory.

Mr. Martin (Essex East): Fully contributory; my hon. friend is quite correct in that, and I take back what I said. I think it is only fair to point out in this connection that the level of the pension provided in the amendment, and which has been accepted in all sections of the house, does not necessarily represent the suggestions made by hon. gentlemen opposite as to what the pension really should be. We have been told by the hon. member for Restigouche-Madawaska that he did not consider the level provided in the amendment satisfactory. The minister has said that after careful consideration of all the facts involved, including undoubtedly budgetary intentions, the likelihood of early acceptance of hospital insurance and considerations of that sort, the level proposed in the bill is satisfactory, and it was for that reason that the hon. member for St. Antoine-Westmount thought there ought to be some consideration given and a statement made by the government of its over-all intentions so we could ascertain whether or not this did represent, in the light of the government's obligations, the most satisfactory amount. However, maybe the minister will deal with this question later.

If the hon. member for Restigouche-Madawaska is not satisfied with the present level, I am sure there are several hon. gentlemen sitting behind the Minister of National Health and Welfare who likewise will not be satisfied with the measure. I have before me, for instance, an advertisement which appeared in the June 6 issue of the Antigonish *Casket* which suggests, among other things, that a vote for Angus D.D., present parliamentary assistant to the Minister of Transport, will see a satisfaction and a realization of benefits in the social welfare field not now provided.

Some hon. gentlemen opposite and to my immediate left have been talking about a higher amount, $60, $75, and some of them have suggested the desirability, instead of having this competition, of finding some standard by which this question could be removed from politics and would not be dealt with on the basis of engaging in the kind of carpentry, to use the Prime Minister's language, that has characterized activities in the past. But I am sure no hon. member of the house is on record as advocating a pension at the level proposed by the new, distinguished and amiable member for Antigonish-Guysborough.

I have before me this advertisement. On one side is a picture of the Prime Minister, and it is a good picture. I am glad to see that he is in a happy mood today. Then there is a very good picture of the member, too. Undoubtedly both these photographic representations, not entirely true to life, had their effect in making possible the election to parliament of the hon. member for Antigonish-Guysborough. But here is one of the reasons urged by the hon. gentleman for his election. He says:

If you vote for Angus D. D.—

I compliment my hon. friend upon the ingenuity of his political perception in using the name "Angus". It obviously has a very catching, engaging and absorbing quality in the province from which he comes. My hon. friend says:

If you vote for Angus D. D. you will get his pledge of fairness and firmness in all matters—

I am sure that is true. I am sure my hon. friend is fair and I am sure he is firm.

—his pledge to voice the problems of his constituents and co-operate fully with the Progressive Conservative new deal for the provinces, a policy which will ensure Nova Scotia a share in Canada's development—

This is the significant part of this enticing advertisement.

—his pledge to support a program of living standard old age pensions and old age assistance upwards of $100 and corresponding increases in all other pensions and social security benefits.

That was the statement he made and, as the Prime Minister has said, a promise made by a political figure is something that must be respected. Indeed, Sir Robert Borden said that possibly there ought to be some sort of rule which precluded making promises that have the effect of winning electoral support when there really cannot be an intention to carry out those promises. In any event the hon. member for Antigonish-Guysborough cannot be fully satisfied with the proposals that are made. He may feel, of course, that this is a beginning.

The Chairman: May I remind the hon. member that he should deal with the resolution under discussion.

Mr. Martin (Essex East): I am discussing the resolution. We are dealing with a proposal made by the government to amend an act introduced by the previous government, we are entitled to ask whether or not the proposal now before the house represents the assurances that were given to the people of Canada during the election campaign.

If we cannot discuss that during the resolution stage then I would be inclined to suggest, if your view were supported by the government, that it would be a serious abridgment of debate which I know Your Honour would not really, on reflection, want to encourage.

The Chairman: I agree with the hon. member, but I should like to refer him to standing order 59, subsection 2:

Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

Mr. Martin (Essex East): That is precisely what I am doing. The clause under consideration is certain improvements in the Old Age Security Act.

The Chairman: I do not believe that articles in newspapers can be termed the clause under consideration.

Mr. Martin (Essex East): It is not an article in a newspaper. This is an advertisement used by one hon. member in this house in the course of the last election, addressed to his constituents, as a result of which undoubtedly he received much of the support which he did receive in that election.

The Chairman: The newspapers are not under discussion at the present time. The newspaper from which the hon. member is reading is not before the committee.

Mr. Martin (Essex East): Mr. Chairman, you have just assumed the chair within the past few weeks, and I am not going to take advantage—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): —I am not going to take a step that, in the situation, would be unfair to you. However, I submit to you with great confidence that the ruling you have now made is one that is certainly not within the rules of this house. The practice, and I am saying this to you with great respect, of this house is that at the stage in which we are now the widest measure of debate is permitted, and indeed in the past has taken place. Where else would one be given the opportunity of testing whether or not a particular program of the administration was consistent with the pledges it had made?

Last night we heard the hon. member for St. Antoine-Westmount, and we heard other hon. members in reply, as to whether or not the proposal now before us really did represent the kind of assurances that had been given by those who sit on your right. I am sure the Prime Minister, who has been in this house a long time, who is recognized as having deep appreciation of the rights of parliament, would strongly support what I have said.

So, Mr. Chairman, it may be that in talking about these pledges the hon. member

for St. Antoine-Westmount was on pretty firm ground. He indicated that the promise had been not only to increase the basic amount but to provide a formula by which the needs of the citizens of this country could be adjusted from time to time. We have, for instance, the telecast speech of the Prime Minister on May 22 in which he said, amongst other things, that he would also make provision for a formula whereby due allowance would be made in the future for the rising cost of living. What is that formula? My hon. friend, for the time being, seems to have established a good case in terms of relating the proposed benefit to the cost of living, just as it could be argued that the 15 per cent increase represented the increase in the cost of living from 1951 until the time of that increase.

Likewise the Prime Minister, in his election pledges, told us that payments would be geared to the national productivity. He told us also that a commission would be appointed to examine the superannuation scheme in the United States which works alongside a means test old age pension system. The hon. member for St. Antoine-Westmount was merely pointing out, and I do not believe my hon. friend has properly answered the argument, that what has been done is not all that was promised. The Minister of National Health and Welfare should tell us, in order that we can ascertain exactly what the government has in mind, whether or not the adoption of this particular program means the postponement of other programs, programs which in their totality were very much in the minds of the previous government. For instance, the hospital insurance measure will be the greatest supplement to the old age pension.

An hon. Member: You were 30 years at that one.

Mr. Martin (Essex East): Yes, it may have taken a long time, but the fact is that the previous government put the hospital insurance act on the statute books. Does it mean, now, that this particular figure is arrived at with the possibility or with the intention of not having to pay out any moneys until 1959 under hospital insurance? Under that measure a very considerable amount of benefit would come to old age pensioners. Over 20 per cent of those who are recipients under the universal system would benefit as old age pensioners under the hospital insurance act and the kind of agreement that was in contemplation between the federal and provincial governments.

Those are questions which have got to be considered. The minister is in charge of this bill, and I do not propose to press him unduly if it is clearly understood that when we come to the bill he will endeavour to deal with some of the questions I have mentioned and which other hon. members have brought to our attention. He will explain to us, perhaps, why the effective date is November 1 but these benefits will only be provided at the end of the month.

Mr. Monteith: How could it be otherwise?

Mr. Martin (Essex East): I am not complaining.

Mr. Monteith: Be reasonable, now.

Mr. Martin (Essex East): My hon. friend has undoubtedly used the effective date of the first of the month, as we did, to give a full month's benefit to the recipients, and by making the effective date November 1, even if the bill is not passed until after November 1, recipients will get the full benefit for a whole month. If that is the intention I commend my hon. friend. All we were trying to do was to—

Mr. Monteith: Let us have a look at the bill and the hon. member will find out.

Mr. Martin (Essex East): My friend says let us look at the bill. That is the very thing we wanted to do, and the information was denied us in this house and given elsewhere by the Prime Minister.

Resolution reported and concurred in.

Mr. Monteith thereupon moved for leave to introduce Bill No. 19, to amend the Old Age Security Act.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: Shall the house go into committee on the next resolution before I call it one o'clock?

Some hon. Members: Agreed.

Mr. Martin (Essex East): We are anxious to co-operate.

OLD AGE ASSISTANCE ACT

AMENDMENTS RESPECTING ALLOWANCE, RESIDENCE AND ALLOWABLE INCOME

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 to amend the Old Age Assistance Act to increase to fifty-five dollars per month the maximum amount of assistance in respect of which payments may be made to the provinces under the provisions of that act, to reduce the basic residence requirement

for recipients from 20 years to 10 years and to increase the total amount of allowable income, inclusive of assistance, by one hundred and twenty dollars a year in the case of an unmarried person, and two hundred and forty dollars a year in the case of a married person.

Motion agreed to and the house went into committee, Mr. Courtemanche in the chair.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Monteith: Mr. Chairman, the resolution preceding the introduction of the amendments proposed to the Old Age Assistance Act includes three main points. They are as follows:

1. A proposal to share with the provinces, if they agree, a further increase of the maximum amount of old age assistance bringing the figure to $55 monthly, the same as for old age security.

2. A proposed reduction in the basic residence requirement from 20 to 10 years.

3. A proposed increase in the income ceilings covering both the assistance payable and the amount of outside income by $120 annually in the case of unmarried recipients and $240 annually in the case of recipients of married status.

The considerations which prompted the government to propose the first two of these three changes are almost exactly the same as those which were discussed in connection with the resolution on the Old Age Security Act amendments. I do not propose to repeat the arguments which I advanced in that debate. I might point out however that there are obvious advantages in terms of administrative efficiency and convenience to the recipients in having the pension payable under old age assistance before the age of 70 identical with that paid after 70. Certainly if it is desirable to raise the benefits under old age security to $55, and we all agree that it is, we can hardly do less for old age assistance recipients between the ages of 65 and 70, all of whom by definition are in need of assistance to a greater extent than many of those in receipt of old age security.

A comparison of the maximum amount of old age assistance now proposed with that paid in other countries shows that the Canadian level of benefits once these changes have been approved will be higher than those of every other country except the United States and will not lag far behind the rates payable in that country. United States legislation with respect to old age assistance provides for federal sharing of state administered old age assistance payments, paid on a means test basis, up to a maximum of $60 monthly. In fact, because of the means test the actual average payments amount to less than $60 a month. There were actually 15 state or territorial jurisdictions which in June 1957 were making average assistance payments of less than $50 monthly while eight were in the $50 to $55 range and 30 were in excess of $55.

I mention these figures as they apply to the United States in order that we may all have a clear understanding as to where we stand in comparison with our neighbour to the south. With the exceptions I have noted in respect to some of the individual states the new $55 maximum proposed for Canada compares favourably with anything to be found in other jurisdictions.

I should of course add that while the federal government is asking parliament to authorize these changes in our joint federal-provincial program of old age assistance, the provincial governments will in the final analysis be the ones to decide whether or not these changes are to be made in their respective jurisdictions. No changes in old age assistance can be made effective in any province except as and when the province itself may decide. We are however making it clear to the provinces by the proposed amended legislation that, so far as the federal government is concerned, we are prepared with parliament's approval to amend the existing federal-provincial agreements and to share henceforth in the cost of a maximum $55 assistance payment.

The second change proposed in the Old Age Assistance Act has to do with the reduction of the residence requirement from 20 to 10 years. There is nothing I need to add on this subject to what I said when we were considering an identical proposal for the Old Age Security Act. The arguments and the considerations are identical. I might just add that we have already received representations from at least one province, Ontario, urging this reduction to 10 years and we have every reason to believe that the change will be acceptable to the other provinces as well.

The third change proposed for old age assistance relates to the income ceilings provided under the act. Since this is a means test program certain limits must be placed on the amount of income and resources which an applicant can have without reduction of the amount of assistance payable to him. For every dollar of income in excess of the permitted amount a corresponding reduction is made in the amount of assistance paid.

The increase of $9 monthly, or $108 yearly, in the amount of assistance payable necessitates a corresponding adjustment in the

overall income ceilings. If this were not done many of those in receipt of modest amounts of outside income would not receive the full benefit of the increase which is proposed. It is for this reason that the government has decided to propose an increase of $120 annually in the income ceiling for unmarried recipients and an increase of $240 annually in the ceiling for married recipients.

I come now to the financial implications of these three proposals. I must be frank in admitting that these are difficult to assess with accuracy for a number of reasons. The first of these is that despite the growing numbers of our population in the age brackets 65 to 70 the experience in the last few years has been that the old age assistance rolls have not risen in proportion. There has in fact been a decline from 94,625 in March, 1955 to 88,887 in June of this year.

Some slight increase has resulted from the changes made in the early part of this year but with other programs such as war veterans allowances, disability or blindness allowances and unemployment insurance, providing alternative benefits for many persons in the age group 65 to 70, it becomes increasingly difficult to estimate how many additional persons may qualify for old age assistance as a result of alterations in the rate of benefit or in the income ceilings. At the present time there are approximately 90,000 persons in receipt of old age assistance in the provinces and territories.

Mr. Martin (Essex East): How many is that?

Mr. Monteith: Approximately 90,000. All these will qualify for the full increase of $9 per month and the increased costs on this count alone will amount to about $9¾ million per annum. In addition, some increase in case-load is anticipated as a result of the higher rate of benefits, the increase in income ceilings and the reduction in the residence requirement. Possibly this will mean an additional 5,000 cases a month; if so, the cost of these would be an additional $3.3 million as a maximum.

Summing up, therefore, it may be anticipated that old age assistance costs will rise as a result of these amendments by approximately $13 million which is in a full fiscal year. Half of this sum or $6.5 million will be a federal responsibility; the rest will be a charge upon the provincial treasuries.

May I say a word in conclusion about the position of the provincial government in this matter. We have, of course, notified all the governments concerned of the proposals that we are laying before parliament as embodied in these resolutions. We shall send them copies of the bill for their consideration at the earliest possible moment, that is to say as soon as it has been introduced and given first reading in this house.

The federal government fully recognizes that in amending its own legislation, the federal Old Age Assistance Act, it cannot and does not legislate for the provinces. It can only indicate in this way to the provinces what it is prepared to do. The provinces must in their turn decide, each one in the light of its own position, the extent to which they can incorporate into their provincial legislation and program the changes and improvements in which the federal government, through these amendments, is announcing its readiness to share.

If all ten provinces decide to implement these changes, and there can be no certainty of that until they have had the time to consider the matter, the added burden on the provincial treasuries will amount to about $6 million a year. They will also have to bear their share of any increases under disability and blindness allowances. It may take a little time for all the provinces to consider their position and come to a decision with respect to these three acts. It may also be necessary in one or two jurisdictions to effect changes in provincial legislation before these improvements can be legally made effective. New agreements with all the provinces will be required; this alone can mean as many as 36 new agreements—three each with the 10 provinces and two territories.

The committee can be assured that the federal government will expedite by all the means at its disposal the conclusions of the necessary agreements. That is why we have provided in the bill for an effective date November 1, 1957. But the position of the provinces, and the problems, financial and other, which the federal legislation poses for them should not be minimized. They should be clearly understood, and it should be recognized that the provinces will require a reasonable amount of time to come to their decisions and to make the necessary policy and administrative decisions in the matter. I am sure the committee will recognize the fairness of this position.

I think that is about all I need to say at this stage, Mr. Chairman. I shall be glad to deal with any points that may arise as the debate proceeds, to the best of my ability.

Mr. McIvor: Mr. Chairman, I should like to ask the minister a question. In his opening words he said that the pensions would be increased if the provinces would agree. If the provinces do not agree it appears that there will be no increase in pensions. Is

there any way of putting across this increase in pensions if the provincial governments do not agree?

Mr. Monteith: If the hon. member had listened to my remarks more carefully he would have understood that this legislation is brought forward by the government to make it permissible for the provinces to participate in this increase.

Mr. Martin (Essex East): Mr. Chairman, I would naturally, I think, be expected to make a few remarks based on the statement we have just heard from the Minister of National Health and Welfare in the introduction of this particular amendment which, in fact, is an amendment to Bill No. 395 introduced in this parliament on June 23, 1951.

Of course I agree at once with what the minister has just said about our responsibility in relation to that which can be exercised by the provinces, and I am sure that it was only because the hon. member for Fort William sometimes suffers from a particular disability of hearing that he did not appreciate the point which was properly made by the minister when he said that acceptance of this measure and its availability to the public generally depended on agreement between the provinces on one hand and the federal government on the other, and the practice to which he has resorted in passing enabling legislation is a practice which we, when we were on this side of the house, always followed notwithstanding the criticisms made when old age pensions were first introduced, and that is that before the federal government embarked on any legislative enactments having to do with participation by the provinces, the latter should first of all have given their consent and enacted the necessary legislation. I agree with the practice which the hon. gentleman is pursuing in this particular instance.

This particular measure is, as I say, by way of amendment to an act introduced by the government headed by the right hon. gentleman who is now the Leader of the Opposition. That was in 1951, and it was part of a plan which had first been proposed in 1945 and considered later by the parliamentary committee which recommended that there should be a lowering of the pensionable age, the federal government assuming responsibility basically, pursuant to a constitutional amendment, for those aged 70 and over.

Now I think it is significant that in the very terms of the constitutional amendment itself the provinces were not turning over to the federal government full responsibility for old age pensions but they were endowing the federal government with the necessary authority to impose contributions in respect of a particular program covering the group aged 70 and over, and I think that is very important because it has much to do with an argument that I am going to suggest to the minister, that is that it would be most unfortunate if as a result of those amendments any provinces now paying supplementary payments were to take the position that in view of these increased benefits they were thereby relieved of any responsibility. I suggest to the minister, not without some reason, that that is a possibility he should look into, as I am sure he will, with the greatest care.

Now as a result of the act of June 23, 1951 parliament took a very important step. Hitherto pensions had been paid on the basis of co-operative financial participation between the federal government and provincial governments and once the federal government assumed responsibility within certain limits for over 800,000 people in this country aged 70 years and over it decided to lower the age for a particular group, but that the provinces and the federal government should share on a fifty-fifty basis the benefits provided under the Old Age Assistance Act, which provided for these benefits to be paid at the age of 65 instead of at the age of 70.

It is significant I think that up until 1951 over 800,000 Canadians have benefited under the Old Age Pensions Act which was made possible as the result of the cost being shared by the two senior levels of government.

It is worth recording that up to 1951 the federal and provincial governments had spent together $1,136 millions by way of assistance to the senior citizens of our country. I have checked these contributions up to date with contributions made on a proportional basis—a per capita basis—in the United States, to which the hon. gentleman properly made allusion a few moments ago, and it will be found that we have provided more assistance on a per capita basis to our older citizens, certainly up to 1951, than they have in the United States, out of contributions made by the taxpayers pursuant to policies carried out by the government.

Of this sum of $1,136 million which had been spent in the period before the introduction of the Old Age Assistance Act, federal expenditure alone amounted to $836 million, while provincial expenditures were in the neighbourhood of $300 million. Therefore, this amendment is based upon an act which came into effect after a very considerable contribution had been made by the

taxpayers, pursuant to government policy, to help the senior citizens of our country.

Now the Old Age Assistance Act, unlike the Old Age Security Act, apart altogether from supplementary payments, is now made possible, if accepted by the provinces, on a sharing basis with the latter. I think it is important at this stage that we should state that the operation and the administration of this act which presumably will, as in the past, be left to the provinces, require for proper administration regulations between the two senior levels of government, jointly entered into and jointly collaborated in.

I am going to suggest to my hon. friend that he will be confronted with the difficulty that I was confronted with so very frequently in this house when it was suggested that the regulations attending old age assistance were not mutually agreed upon but rather imposed on from the top. My hon. friend knows, of course, that that is not the case. The regulations in the past—and I am sure this will be true of the future—were the result of consideration by the two senior levels of government on equal terms, and at no conference that I ever participated in were any of these regulations at any time imposed from the top or from the provinces. They were the result of mutual argeement. Certainly the provinces which have to administer this act would naturally be expected to have a great deal to say and an important part to play in the administration, in the creation and in the formation of those particular regulations.

When the Old Age Assistance Act was introduced in 1951 for the 65 to 69 age group we intended to embrace almost one-third of the population in that age group. Our estimate at that time was that we were going to cover 145,000 persons but, as the minister has pointed out today by way of implication, we did not reach that figure. I think some 90,000 persons roughly were covered and as a result of these amendments undoubtedly further numbers will be added.

It is significant that prior to the introduction of the Old Age Assistance Act—and this has much to do with this act because of the increase in the permissible income ceiling—there were at least three different amendments made in the availability of permissible income. The basic amount had been increased. As a matter of fact, to indicate the scope of the contribution made by this measure one can note that the cost of old age pensions was doubled between 1947 and the date when the Old Age Assistance Act was first introduced.

It is also significant that under the act to which my hon. friend now presents an amendment not only had we previously increased the basic amount, not only had we liberalized the income ceilings but we had in the act of 1951, of which this is now an integral proposed part, taken some very important steps and made some very important changes. For instance, the residence requirements were liberalized; the requirement of citizenship was completely eliminated. That represented a very significant change. Hitherto it was based entirely upon citizenship and period of residence. In the act of 1951 that was removed and, as a matter of fact, all of our social measures now are not based upon national status but on the period of residence, and that had the effect of bringing in many thousands of people who came from other lands to participate in Canadian citizenship and all of the advantages which this country affords.

Now, the basic amount of $40, the qualifying law, the maintenance of an eligibility test are all embodied in the act of which the amendment offered by the hon. gentleman is a part and were all recommended by the parliamentary committee. It is significant that many hon. members who now sit on Mr. Chairman's right, complained bitterly when this act was introduced about the maintenance of the eligibility test. I use the phrase "eligibility test" to get away from the implications and the sinister quality of the old designation. But there are many hon. members sitting opposite who took a strong position in 1951 and who said that the act was made to appear very weak because it did not propose the abolition of the eligibility test. There were the hon. member for Vancouver-Quadra, the Minister of Agriculture, the Minister of Finance, the Prime Minister and the former leader of the opposition. All of these men will be found to be on record as strongly taking the position that there should not be in this measure any eligibility test.

I merely mention that to indicate that what was the view of hon. gentlemen opposite at one time is apparently not the view which they entertain today. In the light of the serious and severe criticism that was carried on for many, many days in this house, I think it is important that one should recall the position taken now as compared with the position taken then.

Mr. McCleave: Your view of the $6 has changed also.

Mr. Martin (Essex East): My hon. friend will find if he is in this house as long as I have been that one of the best ways to get along is to recognize that you have to change your views. I am sure that is one of the things my hon. friend will come to recognize and he will change his view as he looks

at the legislation that has been passed in this field by the preceding government. He will find that it is a record worthy of commendation and worthy of praise rather than the kind of criticism sometimes given to it.

Then in the act of 1951 we took another step; we eliminated the requirement of the recovery from the estates of deceased persons in so far as the federal government is concerned. I am sure my hon. friend is going to maintain that. We cannot control what the provinces do in that particular, but it is significant that we did make that change in the act. Then we introduced a new feature in the act of 1951 of which this amendment is a part. We gave to the Indians, to the native population of our country, the right to benefit, something that had not been done before.

We estimated the total cost of old age assistance in 1951 at about $64 million, shared equally by the two senior levels of government and I understood my hon. friend to estimate that the proposed amendments would add roughly another $13 million, to be shared equally by the two senior levels of government, bringing the total cost of old age assistance to somewhere between $75 million and $80 million.

So we can support this particular proposal in the knowledge that this is an amendment to an act which we introduced. Undoubtedly it has been made possible as the result of the minister's careful concept of the over-all obligations having in mind, I sincerely hope—I know he will not mind my saying this—that this does not mean in any way any postponement or abridgment of the plan proposed by the previous government in the matter of hospital insurance.

Mr. Monteith: I should certainly like to set the record straight and assure the hon. member that that is the situation.

Mr. Martin (Essex East): I thank my hon. friend. I think that is a very important announcement for him to make because, as he knows, it would be a matter of the greatest regret all over the country if the situation—

Mr. Monteith: I have indicated that ever since I took office.

Mr. Marler: Rather obscurely.

Mr. Martin (Essex East): No, I think in fairness to the Minister of National Health and Welfare I should mention that I did say in the house that when he took office he was the one member of the administration who had given a clear indication of his personal intentions in that regard. He will recall the statement I made several weeks ago that my complaint was that he was the sole voice on behalf of the administration that gave any indication that the government intended to carry on vigorously the purposes and intentions embodied in the hospital insurance act. His statement now relieves us from any suspicion that what is now being done is in any way intended to be considered as postponing the day when Canadians generally will have the opportunity to participate in a nationwide hospital insurance scheme.

Of course the amendment now proposed does not deal, as the previous amendment did not deal, with certain assurances or certain promises, as the hon. member for St. Antoine-Westmount said last night, that were made in the election that not only would the basic amount be increased but there would be a formula provided to relate the pension to the cost of living. I want to say to the Minister of National Health and Welfare that there has never been a refinement as to precisely what was meant by those assurances, and I think that if they are going to be realized there should be some guarantee given with respect to the great danger of a reduction in pension if there is a reduction in the cost of living.

An examination of social security measures in other countries based upon such a formula will show that in times of less need there have been reductions in social benefits away below the actual reduction in the cost of living itself. Therefore this formula which was dealt with on the basis of an assurance should be considered with great care. In any event, I take it that particular promise is not going to be recognized in this legislation. Likewise the assurance about relating payments or benefits to the gross national product is not being presented in this particular amendment.

We should keep in perspective what the over-all obligation of the government of Canada is in the whole matter of assistance to our senior citizens. Before the amendments introduced last spring in the budget of that time the federal government had committed the people of Canada to an expenditure of something like $400 million for old age security, including the contributions that the federal government was paying to the provinces under the Old Age Assistance Act. The increases provided at that time resulted in a total commitment of $460 million, and with the proposed amendments now our share of old age security will bring us to somewhere in the neighbourhood of $560 million. This is comparable with the amount of roughly $35 million now being spent by all ten of the provinces together apart from supplementary payments.

It is for this reason that I strongly suggest to the minister, having in mind the fact that the federal government bears a much greater share in this regard than all the provinces to the extent that I have indicated, $560 million as against $35 million, that it would be a matter for great regret in terms of the value of social measures if as a result of these amendments the provinces were now to seek to extricate themselves from some of the supplementary payment obligations into which some of them have projected themselves.

As I indicated the other day, there are five at least that do not make any supplementary payments. It would be unfortunate if this legislation meant that supplementary payments would not be continued or that discouragement would be given to provinces where there are no supplementary payments now because this amount will not take care of all cases of need. I am sure my hon. friend recognizes that is the case, and the only way in a country like ours by which individual cases of need can be met is by the provinces recognizing that they too have a responsibility in this matter. I am sure the hon. gentleman will find that we will give the bill the same sympathetic consideration as we have given its antecedent.

Mr. McIvor: Mr. Chairman—

The Chairman: Order. The hon. member for Regina City.

Mr. Ellis: Mr. Chairman, in discussing the resolution providing for the amendment of the Old Age Security Act I placed my views before the committee with regard to the amount of the increase, and I think the remarks I made at that time have a general application to other groups of pensioners. I would, however, take issue with the statement made by the minister just prior to adjournment for lunch that the amount of the increase is in line with the increase in Canada's gross national product. He placed figures on record indicating that the increase in pension takes care of the increase in the cost of living. No one is disputing that fact, but I think if the minister will look into the matter he will find that while it may compensate for the increase in the cost of living it falls short of meeting the percentage increase in our gross national product.

Mr. Monteith: From 1952 on it does; maybe not from 1949.

Mr. Ellis: However, that is a matter that can be left to some future occasion. The C.C.F. party's approach to the question of old age assistance can be generally summed up by our belief that the age limit of those in receipt of old age security should be lowered to age 65. If that were done we would not now be faced with the situation described by the minister where he has no assurance or guarantee that certain provinces are going to enter into agreements with the federal government to provide for a pension of $55 to recipients of old age assistance.

The situation we are likely to find in the immediate future is that the amount of old age assistance will vary from one part of the country to the other. I feel that all our senior citizens, irrespective of the province of residence, should be given equal treatment. I realize that the minister can point the finger at a specific province and say the province did not fulfil its obligation and that is the reason why some of our senior citizens are not accorded the same treatment as their fellow Canadians are in some other part of the country.

At this point I might say I was quite surprised to hear the hon. member for Essex East express a great deal of concern over the question of supplementary allowances. I think it would be much more advisable for him to express a little more concern about those provinces that do not give any supplementary allowance. I suggest his great concern over the provinces who grant supplementary allowances is because of the fact that there is not a single Liberal province in the dominion which has given or is now giving any supplementary allowance to the recipients of old age pensions. I would suggest the hon. member for Essex East should go to work on the few remaining Liberal provinces, while there are still a few remaining, to convince them it may be well to play fair with the old age pensioners residing within those provinces.

I noted that in the remarks made in a previous debate one Liberal member suggested that the provinces were not making the same contribution as was the federal government. I think he overlooked the fact that the provincial governments are much closer to the problems of our senior citizens. They are charged with the responsibility of providing medical care; they are charged with the responsibility of providing suitable housing and satisfying other basic requirements. This is a field in which the province is concerned. I know that in my own province the amount which we spend as our share of the payments under the Old Age Assistance Act is only a part of the amount which the provincial government spends in the care of our senior citizens.

As a matter of fact on September 25 I had the great pleasure of attending the opening of our new geriatric and rehabilitation centre in the city of Regina. This is an

indication of the sort of thing that is being done by some provincial governments and, of course, that is over and above any money they spend in providing assistance under the Old Age Assistance Act. This new geriatric centre was built at a total cost of over $2,133,000 and has provision for 293 guests. It has a staff of around 130, including the superintendent, 20 registered nurses, 56 nursing assistants and the other staff members required to operate a home of that kind.

The provincial government has undertaken this work because they feel it is necessary that the legitimate needs of our senior citizens be met. I am very sorry that we have not been able to go much farther in this field. I think perhaps the provincial government could devote its energy toward the provision of care of this kind because there are so many of our senior citizens who do not have homes, whose families are not living in this country or perhaps are unable to provide for them the sort of care that is necessary. I suggest, therefore, when the federal government is bringing in an amendment of this kind they should take into consideration the fact that the provincial governments—I am not saying all provincial governments to an equal degree or measure—have been doing a great deal in this direction. I feel that this work should be continued.

I feel that the amendment now before us, which carries on the old arrangement whereby the cost of old age assistance is to be borne jointly by the federal and provincial governments, does not take into account sufficiently what is being done by the provincial governments toward the care of our senior citizens. If the government insists on taking care of the 65 to 69 age group in this manner, then it ought to face up to some of its responsibilities in other fields.

Some reference has been made to the hospital plan. There is no doubt that the coming into force of that plan, which I presume is a step towards a comprehensive health insurance plan, will be of some assistance. But in the province of Saskatchewan we have been waiting year after year for the federal government to do something. We feel that as a province we are ready to go ahead with the hospital plan now. I should like very much to see this government take the necessary steps in order that Saskatchewan and any other province that is ready may enter into an agreement to bring the plan into effect as of January 1 next. That is one positive way in which the federal government could discharge, in part, some of its responsibilities towards those in the 65 to 69 age group, apart from the contribution they are making under this proposed amendment.

Again, there is the provision of housing for our senior citizens. While I realize there is a limited amount of assistance provided under federal legislation, the bulk of the cost of building homes for our senior citizens rests with the provincial governments, with the municipalities and the societies set up to build such accommodation. Here is another field in which the federal government, if it is going to boast about its accomplishments, if it is going to fully discharge its responsibilities towards the 65 to 69 age group, ought to do something.

Then, of course, there is the question of our geriatric centres, which I believe to be indispensable to any worthwhile program for our senior citizens in this country. What responsibility is the federal government going to take with respect to the provision of facilities of this kind? I draw this to the attention of the minister because I feel there is an attitude which has been evidenced by members on the Liberal side of the house when they were in office, and that is that because the federal government is paying a portion of the cost under the Old Age Assistance Act they have discharged their responsibility. I cannot agree with that. I feel that the best solution to the difficulty would be to lower the age group in which payments are made under the Old Age Security Act. I think that is an objective for which we must strive.

In the meantime, I think the federal government, if it is going to enable the provinces to carry on this work, ought to be prepared to provide some sort of assistance. Surely the minister cannot suggest that because the federal government is going to provide for a higher payment under the Old Age Assistance Act it is discharging its obligations to this very important age group. In so far as the amendment is concerned, I feel that the amount, while certainly not adequate to take care of the needs of our senior citizens, is an improvement over the type of amendment brought down by the former government. But I urge the minister to give consideration to the provision of greater assistance to the provincial governments with respect to those in the 65 to 69 age group who receive from the federal government a part of their pension, and beyond that stage it is left to the provincial government to take care of their needs.

Mr. Blackmore: Mr. Chairman, the Social Credit group will heartily support this proposal which the government is making for improving the lot of the old age pensioners. We believe that there ought to be an attempt,

as the years go by, to take more cognizance of the production that the Dominion of Canada is able to bring into being. For example, reasoning the matter out in a calm and sensible sort of fashion, does it not appear to every hon. member that when the Dominion of Canada is producing enough butter to provide every person in Canada with all the butter that person can consume we ought to be able to help the old age pensioners obtain as much of that butter as they could use. So with milk and milk products, meat and meat products, clothing, fuel, transportation and shelter.

Last night we heard a good deal of reference to the fact that housing was costing the old age pensioners so much that they were left with very little on which to live. If in the Dominion of Canada there are enormous amounts of lumber lying in the yards waiting for a market and an indefinite number of builders all ready to build houses, does it not strike almost anyone as being rather astonishing or grotesque that we should have any shortage of housing for our senior citizens? Surely we can produce all the lumber and all the other materials that are necessary to make a fine house for every old age pensioner in Canada. Certainly we can provide all the fuel necessary to keep that house warm and well lighted. If we begin to approach the problem of providing for our senior citizens, from that angle, I believe that every citizen of Canada will recognize the fact that, for some strange reason not yet explained by men on either side of the house, we have not been able to make what is physically possible in Canada financially possible to anything like a satisfactory degree.

Mr. Habel: There he goes again.

Mr. Blackmore: Yes; and it is high time that a good many of us went again. People of the lowest standard of intelligence ought to be able to see that fact without any argument at all. I suppose we shall have to go on until the voters, in spite of the barrage of misrepresentation which they are obliged to go through every election and all the time in between, finally begin to see this important fact and let their disapproval of the inadequacies of the administration register at the polls; it seems utterly impossible to have elected in either the Liberal party or the Conservative party a man who is able to comprehend these facts and to recognize them.

Mr. Habel: Not the way you do.

Mr. Blackmore: While in our Social Credit election material we advocated a basic pension of $60 a month and an additional amount to match whatever supplementary allowance any province was making, so that in the case of a province like British Columbia or Alberta the total pension would rise to $100, let it not be interpreted as meaning that we believe that if we gave such a pension to the old age pensioners of Canada, and that only, we would be discharging our responsibility to the senior citizens of Canada.

Here and there and in the corridors occasionally the idea has been expressed that it would be quite out of order if we were to begin to supply our senior citizens with an income so great that it exceeded the income of many of the taxpayers, that if we were to do that, we would be becoming unsound. Personally I do not agree with that idea. When a person reaches the age of 65 in Canada, having fought his way up through life in this country, having helped to make this country and having been paid far less for his work all the way up than he was earning—with which statement I think everybody will agree—surely we are not doing anything irregular when we begin to try to compensate that person for the deficiencies of the income from which he has had to suffer all the way up through his life when we give him an old age pension which will give him a chance to have a little bit of comfort which he was not able to enjoy as he was struggling up, earning his way and raising his family. I think it is well for us to bear that consideration in mind when we try to compute the amount we ought to be giving to our old age pensioners. I would not wish to advocate that we penalize our taxpayers unreasonably; I am convinced that there is a way of financing old age pensions which does not involve a burden on the taxpayers.

Mr. Dupuis: Out of the $500 million of savings as promised by the Tories.

Mr. Blackmore: That is just a silly remark. If the constituents of the hon. member had realized his attitude in that respect I am sure he would not be here. I am sure we would have at least a Conservative in place of him. That remark indicates an indisposition to face the problem seriously and realistically.

We Social Crediters are prepared to go all the way along with the minister. We express satisfaction that he has gone as far as he has gone, and we shall be prepared to go even further whenever the spirit moves him to go a little bit further.

Mr. McIvor: Mr. Chairman, I want it particularly understood that I support this legislation. I heard the minister perfectly when he made his statement but he did not understand my question. My question was asked because of a promise that was made, "If you vote for me, this is what you will get", and

there was not one word about conditions with the provinces. Mr. Chairman, I want to make it clear that I want every man or woman in Canada who needs this pension to get it whether the provinces agree or not. During the last session when our amendment was being discussed I said that we should raise the pension by $10. For anybody any place in Canada to say, "If I am elected, you will get this" is a mistake. No private member ought to say that and I was extremely careful this time not to say it. But I would say definitely that any man or woman with an income under $3,000 should have his pension increased far above $65. However, I have not any pity for a man who has $10,000 a year and is seeking a pension. He is a pitiable creature. Why should we help the poor fellow out by giving him an increased pension of $55. That is one thing I have always had against the pension. Notwithstanding my friendship for the former minister of national health and welfare I am of opinion that a man who is getting $10,000 a year or even $5,000 has no business to get a pension. However, I want to say to the minister that I congratulate him on his statement. He is protecting himself splendidly. But I want it to be known that I hope every citizen in Canada who needs this pension will get it, regardless of whether or not the provinces agree.

Mr. Martin (Timmins): Mr. Chairman, in my few remarks today I am not going to rehash the stand of my party. I think that stand was put forward very well by my colleague the hon. member for Regina City. There is, however, one point I think ought to be given a little more attention at this time.

That is in regard to the permissible income for recipients of old age assistance and particularly the group between the ages of 65 to 70. As is well known, the C.C.F. party have for many years advocated the abolition of the means test. We have been accused that this would tend to take away the incentive of the people; that has been one of the biggest criticisms we have heard down through the years, but I would like to point out that the present legislation with its means test does more in my opinion to take away the incentive from some of our older citizens than anything else of which one could think.

With this new legislation it is proposed that the pension be increased by $9 per month with a permissible income increase of one dollar. In other words these citizens are permitted to earn $1 per month more than they could before or the sum of $12 per year. It seems very strange to me that the increase has been set at this amount. I think if our present income tax structure has any justification the $1,000 basic exemption for the men and women of our country must or should be based on what is considered to be the absolute minimum on which a person could sustain themselves. If that is the case for men and women up to the age of 65 why should it not also be the case when they are aged between 65 to 70?

Formerly the total of old age assistance and what these people were permitted to earn in addition came to an amount of $720 per year and if they earned or were in receipt of anything above that total it was deducted from their pension. This legislation proposed today is certainly a step in the right direction but it still does not come even near to the basic exemption of $1,000 which I think all members of this house will agree is not sufficient to meet the current cost of living.

I would draw attention to one case which illustrates the evils of this means test clause. I know of a woman in my constituency aged 68 who was in receipt of the old age assistance; she committed the crime of falling down in one of the stores and had the misfortune to break her thigh. She spent considerable time in hospital and the doctor bills and hospital bills continued to mount. She was plagued by them on the one side and on the other side by the representative of the insurance company who was urging her to settle whatever claim she might have under the insurance coverage of this particular store. Unfortunately without proper advice she finally made a settlement with the insurance company which was just sufficient to pay her doctor and hospital bills but this settlement was classified as income for that year and two years later "retribution" started to set in. She is now 71 years of age and has just recently been informed that she was in receipt of $300 in excess of what she was entitled to receive that year while drawing old age assistance. As a result her pension is now to be reduced by the sum of $10 monthly until the month of August 1960. As I say this woman is now 71 years of age, she has not yet completely recovered from the injuries she received at the age of 68 and she is faced with a $10 per month reduction in her pension. I am not sure what provisions are made in this proposed legislation for a case of this kind, whether they will take the whole $9 in addition to the $10 they are now deducting or whether she will be able to continue with a reduction of the $10 only per month.

The stand of my party has always been, as I said before, that this means test should

be dispensed with. If the government does not see fit to accept our proposal in this matter then I think at least it should allow people in the 65 to 70 years of age bracket who are in receipt of old age assistance the same amount of income as the people who receive the $1,000 basic exemption.

Mr. Stick: Mr. Chairman, I have very little to say on this matter because I think we agree that our senior citizens should be helped and from the temper of the house it would appear that this legislation should get as fast a passage as possible.

The only question of doubt in my mind at the moment is with respect to the age group between 65 and 69. If I correctly understood the hon. minister the provinces will be offered an opportunity to participate in this increase from $46 to $55. I have no doubt that this offer will be accepted readily by many of the wealthy provinces of Canada and that it will be agreeably accepted by the other provinces if they have the ability to pay for it.

My province however may be placed in the position of not being able to afford to do without this offer and at the same time not being able to afford to accept it. That is the problem in my mind and upon which I would like if I could to have some elucidation. I would ask two questions of the hon. minister and I have no doubt he will at least be able to help me make up my mind on this matter. The first question is this: can the minister inform me of the cost to the provinces of administering the Old Age Assistance Act in the age group between 65 to 69 years? Secondly, can the minister inform me if the coming dominion-provincial conference will deal with the significance of the raising of the old age pensions for the same group. In other words, will the minister be able to tell me if this question will be taken up by the dominion-provincial conference?

This is a serious matter for those provinces which might be called the "have-nots" and it is going to mean an increasing burden with respect to the financial tasks before them at the present time. I may be out of order, Mr. Chairman, in referring to this matter, but we in Newfoundland have many projects which we would like to bring to completion. We have the trans-Canada highway which we are anxious to complete and which is a very costly project for our province; we wish to increase our educational facilities and there are many other public works which we badly need and which are an economic burden on our province.

Now this offer which I believe is made in all good faith by the government is, in my opinion, going to mean an added cost to our province the extent of which I do not yet know. I would like to have this information so that I may be satisfied in my mind about giving this legislation the support that I want to give it, and I say this in no narrow political sense. I should be very happy if the minister could give me this information and if he could see his way clear to supply me with the figures.

Mr. Monteith: If I may answer the hon. member for Trinity-Conception, I will certainly be happy to have prepared the figures he mentioned. I just do not happen to have them with me at the moment. As to what is going to be discussed at the time of the dominion-provincial conference, I will say that is still open, and if the premier of Newfoundland should wish to discuss it I have no doubt it would be open to him to do so.

Mr. Stick: Has the agenda of the conference been worked out, or will it not be decided until the conference meets?

Mr. Monteith: I do not think the agenda has been worked out as yet. I think it is still possible for the matter to be discussed.

Mr. Irwin: Mr. Chairman, I have no intention of extending the life of this debate for any length of time but I would like to put a question to the minister, and ask him if he would be good enough to take it into consideration and give me an answer when he feels he is in a position to do so. In the event all the provinces do not pass enabling legislation for several months but are agreeable to having that legislation made retroactive to November 1, 1957, will this government then agree to a retroactive agreement with the provinces? I put that question, Mr. Chairman, because as you know, if this proposal comes into force on November 1 the provinces, in view of the fact that they have first to agree on it, may not be able to pass enabling legislation for probably, two or three months. This would mean that most of the pensioners would not be in line to receive their pensions as from November 1, but only as from the date on which the legislation is passed by the provinces. If the provinces are agreeable to having this made retroactive to November 1, will the government agree?

Mr. Monteith: Mr. Chairman, in answer to the hon. member's question, the provinces have to enter into an agreement with the dominion government and we are passing legislation making it effective as from November 1. The hon. member's question is whether, if the provinces cannot get this new agreement signed with the dominion government by the end of November, we would participate and make it retroactive. I would

say offhand that that is a matter of arrangement under the agreement. I will have the matter looked into and give the hon. member a definite answer on second reading.

Mr. Irwin: What I said was, in the event of the provinces being agreeable, would you be?

Mr. Barnett: Mr. Chairman, I too have some questions to ask. I wonder if the minister could tell us how many provinces have already taken full advantage of the increase which we brought in earlier this year, the increase to $46. How many provinces have entered into an agreement of that kind?

Mr. Maltais: Before the minister answers I would like to put a question to him arising out of the remarks he made earlier this afternoon. The minister indicated that the government of Ontario has intimated to the federal government its desire that the 20-year period be reduced to 10 years. Would this indicate that the Ontario government had been consulted before this legislation was proposed?

There is another question I would like to put to him. Were all the provincial governments consulted before this legislation was proposed and, in particular, was the government of my own province consulted before this resolution was laid before the house.

Mr. Monteith: As soon as the resolution appeared on the order paper all the provinces were informed immediately, and the moment this bill receives a first reading they will receive copies by air mail. That is the only thing we can do. The implication behind the hon. member's question was: did we have conversations with Ontario; did Ontario influence our thinking? It did not. I may say that our thinking is concerned with the whole of Canada, not with the province of Ontario except in so far as it is a province among the rest of the provinces of Canada.

With regard to the question asked by the hon. member for Comox-Alberni, I cannot give him the number of provinces but I would be glad to give him that information when we reach the committee stage if that would be satisfactory.

Mr. Barnett: There is one other question I wish to ask, related partly to my first question and partly to that raised by the hon. member for Burnaby-Richmond. It relates to whether the legislatures of the provinces have yet had an opportunity of taking advantage of the proposals that have already been put forward here. While the minister is looking into that question he might also consider the question raised by the hon. member for Burnaby-Richmond, as far as that increase of $6 is concerned, and tell us whether or not, if a province has not as yet had the opportunity of taking advantage of that legislation and wishes to do so, that $6 increase can become effective as from the date when parliament gave its approval to that increase.

I feel this whole matter should be clarified, and if the minister prefers to give us this information when we reach the committee stage, that would be agreeable to me.

Mr. Monteith: I should be happy to give the hon. member an answer to these questions when we reach the committee stage.

Mr. Maltais: In order to make my previous question clear, may I ask the minister how he became aware of the attitude of the Ontario government regarding the reduction of this basic requirement of residence?

Mr. Monteith: Because of a letter addressed to my department; in fact, it was addressed to the former minister.

Mr. Martin (Essex East): After some urging by the former minister.

Mr. Winch: Mr. Chairman, there are two phases I would like to discuss which touch on the question of the allowable income that those people between the ages of 65 and 70 can earn without their right to pension being impaired. One has already been touched on by the hon. member for Timmins, and I would like to enlarge upon that because in handling a great many of the cases which come under the act now under discussion I sometimes find it impossible to understand the attitude and the approach of those who lay down the regulations.

I am not discussing the civil servants who have to administer them, because they have to obey whatever is put before them, but as far as those who draft the regulations are concerned I think at times they must have ice water in their veins instead of blood; it is cold blood, definitely, not warm blood.

To follow up the case in point that was raised by the hon. member for Timmins: Only recently I was approached by one of my constituents who was hit by a car and very severely injured. He was laid up for months in hospital. He is out now. He will never be the same man again. As a result of the accident the insurance company made a settlement. Well, after he paid his doctor's bills and all his other medical bills only a few hundred dollars were left over. His house had been condemned because it had no new plumbing. He put in new plumbing. It needed painting and he painted it. He was behind in his taxes and he paid his taxes. He had borrowed a little bit of money and he paid it back. He was then left with the grand and noble sum of $87. They could not

touch that worthy old gentleman under the regulations because he was over 70 and therefore income does not count; but his wife is between 65 and 70. Although the money was paid to her husband as damages on account of the injury, the full amount of the money was applied as income of the wife and no allowance was made for necessary expenditures, with the result that her allowance has been cut in half.

Surely, Mr. Chairman, that is not the spirit and the intent of the act and it is not the spirit and the intent of those sections of the act which state that a person can have only a certain amount of income outside his pension; and yet that is the sort of thing that is going on and that is why I agree with others that the amount of permissible income even with the change in the resolution should be increased. It is not high enough. If that is to be the basis at the present time, in the view of the minister, then most assuredly he should pay attention to the interpretations which are being made on what is income and see that a little more of a humanitarian spirit is shown in circumstances such as have been outlined this afternoon.

There is one other phase of this question of allowable income which I find rather intriguing and interesting. It has been brought to my attention upon a number of occasions by those on pension between 65 and 70 in my own constituency. If a person on that pension has invested his capital in a home which is assessed at $4,000, shall we say, then the regulations say that five per cent of that $4,000 shall be classified as income and taken into account. Others—and I have many in my riding—who do not own their own home but who have invested exactly the same amount of money—I am using the figure of $4,000—in dominion government bonds—exactly the same expenditure of capital—are in this position. Under the regulations the interpretation of income on the $4,000 invested in government bonds, and not in a home, is entirely different from the interpretation of the income on $4,000 invested in a home. Five per cent of the $4,000 invested in a home is classed as income in the first instance and it is over double that amount in the second.

Now, a person who does not own his own home has to pay rent, and in view of the fact that as far as capital is concerned both have exactly the same amount invested, why should the one who has invested capital in dominion government bonds have to pay over double? In other words, his pension right is cut to twice the extent of the one who owns his own home. These may seem only small issues.

Mr. Monteith: I do not think they are small at all.

Mr. Winch: No. I say to some they may appear small issues but when you are a member of parliament, and when there are those who are handling the regulations and have to deal with cases of this kind, I am quite sure that it is a heartbreaking task. It is something that could be changed very speedily, either by some slight alteration in the present regulations or by a direction from the government or from the authorities concerned to make a more humane interpretation of what constitutes income. I sincerely hope the minister will give some thought to the two points. One is the raising of the allowable income, as was pointed out by others, and the other is the changes along the lines that I have suggested.

Mr. Lesage: I should like to draw the attention of the minister to a situation of which I became aware only three weeks ago. It has to do with the regulation regarding the income to be charged against the recipients of old age assistance. Take the case of a man who owns his own home which is municipally assessed for $4,000. It is exactly the same case as that which was mentioned by the hon. member for Vancouver East. A constituent of mine has a mortgage of $2,500 on his property. La Commission des Allocations Sociales de Québec, which administers old age assistance, charged against the income of my constituent five per cent of the full $4,000. I do not believe this is fair. I believe it should be a charge of five per cent on $1,500, which is the municipal assessment less the mortgage. I was not aware of such a situation until three weeks ago. If I had been aware of such a situation I am sure my ex-colleague in the cabinet would have heard about it. I am just asking the Minister of National Health and Welfare whether he would, whenever he has the occasion, look into that regulation and the interpretation which is made by La Commission des Allocations Sociales de Québec and take the matter up with the provincial authorities.

Mr. Monteith: Mr. Chairman, I would like to point out to the hon. member who has just spoken that the implementation of this act is carried out at the provincial level. I have every sympathy with the cases mentioned and I shall certainly give the matter every attention but the act is actually operated by the provincial authorities. We simply contribute.

Mr. Winch: Are the regulations not agreed to?

Mr. Monteith: Oh, yes.

Mr. Winch: They are jointly agreed to as between the federal and provincial authorities?

Mr. Monteith: Yes. The province operates or implements the interpretation of the regulations.

Mr. Lesage: Yes, I realize that the interpretation of the various provincial administrations might be different, but I think that the Minister of National Health and Welfare is in a much better position than I am to convince the provincial authorities of Quebec.

Mr. Monteith: I am happy to say that if the hon. member had written me about the case when he found out about it I would have looked into it then.

Resolution reported and concurred in.

Mr. Monteith thereupon moved for leave to introduce Bill No. 20, to amend the Old Age Assistance Act.

Motion agreed to and bill read the first time.

BLIND PERSONS ACT

AMENDMENTS RESPECTING ALLOWANCE AND ALLOWABLE INCOME

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 to amend the Blind Persons Act to increase to fifty-five dollars per month the maximum amount of allowance in respect of which payments may be made to the provinces under the provisions of that act, and to increase the total amount of allowable income, inclusive of allowance, by one hundred and twenty dollars a year in the case of an unmarried person and two hundred and forty dollars a year in the case of a married person.

Motion agreed to and the house went into committee, Mr. Casselman in the chair.

Mr. Monteith: Mr. Chairman, the changes proposed with respect to the Blind Persons Act are completely in line with the changes outlined in the preceding resolution. First, the maximum allowance is to be increased by $9 monthly to $55. The reasons for this have already been given. Second, the income ceilings are to be increased by $120 annually in the case of unmarried persons and $240 in the case of married couples. I will indicate now the present and the proposed income ceilings: Single blind, $1,080, increased to $1,200; unmarried blind with dependent child, $1,560 to $1,680; married with sighted spouse, $1,740 to $1,980; married, both blind, $1,860 to $2,100.

It will be noted that the income ceilings for unmarried blind are now and will continue to be $240 higher than in the case of single recipients under the Old Age Assistance Act and the Disabled Persons Act. In the case of a married couple, both blind, their joint income ceiling is $480 higher than for a sighted couple on old age assistance. These differentials in the income ceilings favouring the blind have been a feature of our legislation ever since 1937 and no change is contemplated in this respect.

Approximately 8,300 blind persons are at present in receipt of benefits and it is thought that with the increase in income ceilings this number may rise to 9,000. The additional costs attributable to the $9 monthly increase may, therefore, be set at slightly less than $1 million over a 12 months period. A rise of 500 in the case load would mean another $300,000 annually or a total of $1.3 million altogether. Seventy-five per cent of this amount or roughly $1 million annually represents the federal share. The provincial share of 25 per cent will amount to about one-third of a million dollars.

Mr. Martin (Essex East): Mr. Chairman, may I first of all say to you, as this is the first time I have spoken in the house with you in the chair, that I should like at this very late date to congratulate one who has been for so many years in the house on his appointment as deputy chairman of the committees of the house.

I should like to make a few brief comments on this measure as I have with regard to the others because, as the Minister of National Health and Welfare well knows, this too, like its companion predecessors, is an amendment to an act of parliament introduced by the previous administration. It is interesting to note that the opposition to old age pensions which first emanated in the other place in 1926 was based in part upon the fact that the pension was given to old people just as a matter of right instead of being given to persons who were incapacitated. Indeed, that was the position taken by the then leader of the opposition in this house, Mr. Meighen, and others who spoke on that measure. So the blind were covered up to a point only in so far as they came within the definition of the phrase "old age" under the Old Age Pensions Act until 1937 when amendments to that act were provided to include the blind in a specific way.

It is a matter of history that between 1937 and 1951 the basic amount of pensions to the blind was increased and so were the cellings on permissible outside income. In my hon. friend's recital today of the income ceilings provided by this amendment he has adhered to the standard of previous amendments in that these income ceilings are higher than the income ceilings in the two preceding measures.

In 1951 the act of which this is an amendment provided for a separate measure to cover the blind. The Canadian National Institute for the Blind in particular and some hon. members had repeatedly urged that instead of covering the blind under the Old Age Pensions Act they should be provided for under an act especially designated for the blind themselves. So it was a historic step in 1951 when we enacted a separate measure covering the blind, a measure to which my hon. friend has now provided an acceptable amendment.

The act of 1951 brought the benefits to an additional 3,000 blind persons, a total altogether, if we include those who were provided for under the Old Age Security Act, of roughly 15,000 persons. I think it is noteworthy in considering this amendment that when we brought in the Blind Persons Act of 1951 we gave effect to the requests made by the Canadian National Institute for the Blind. They had put forward a six point program and every one of those points was given accession to by the act introduced by the government headed by the present Leader of the Opposition. These six points can be found for reference in *Hansard* of June 23, 1951, at page 4589 and following.

As the result of that act we liberalized the eligibility tests very considerably, bringing in numbers of blind persons who otherwise would not have been included because of the regulations, and it is significant that we reduced the qualifying age from 20 to 10 years in the act of which the amendment is now proposed to be a part.

In addition, I think it should be recognized that this is by no means all that the people of Canada through the government are doing for the blind people of Canada. Under departmental estimates, which I am sure my hon. friend would not disturb, the federal government has undertaken to pay 75 per cent of surgical operation expenses in eye operations. The result has been, as I am sure my hon. friend has now been able to ascertain from an examination of the departmental records, that we have provided for the complete rehabilitation of over 50 per cent of the blind persons to whom this financial assistance for eye surgery has been provided. That has not only given these people a restoration of eyesight but it has at the same time lessened the numbers who are on the pension rolls.

This is a program of rehabilitation in which, if I may say so, I have a special interest and it is one which I know the minister will want to carry on. The federal government pays 75 per cent of the cost of that scheme, the provinces paying only 25 per cent, and it would be most unfortunate if anything were to happen to the scheme. I am not suggesting that it will, although I have seen references made by one of the provincial premiers to the effect that this was a matter that should be left to the provinces; that the federal government was mixing too much into affairs that did not concern the federal government.

Then in the act of 1951, of which this amendment that is now proposed will be a part, we brought in the blind Indians for the first time. The incidence of blindness amongst the native population, of course, is very great. This gave to those unfortunate individuals the kind of assistance which I believe they certainly deserved and needed. Then, too, as in the companion measures, the provisions in so far as the federal government was concerned eliminated the reference to the recovery of estates of deceased blind persons. This was no longer required.

Hon. members will recall that when this amendment was introduced there was a very vigorous debate in this house on the desirability of eliminating the test of eligibility, or, as it is more inaccurately but more powerfully described, the means test. The hon. gentlemen who sit now on the treasury benches were very vigorous in their denunciation of the preservation of the means test in the case of blind persons. Our defence of that position was based upon the fact that the most effective way of dealing with blind persons was not through the acceptance of that proposal but through other forms of liberalization into which we had projected ourselves. Notwithstanding that, *Hansard* is there as a record of the very strong opposition conducted by certain gentlemen now sitting on the treasury benches. I am not referring to the present Minister of National Health and Welfare. These gentlemen suggested that the government was remiss; that it was unfair; that it was callous in not providing for the elimination of the means test.

Now this particular amendment does not remove the means test. I am not dealing with the merits of that proposal, except to remind some hon. gentlemen of their words and the position which they took in 1951. I find, for instance, in *Hansard* for May 9, 1953, these words of the present Minister of Public Works on page 5070:

> So far as I am concerned, I believe the proper course to follow would be for the dominion to pay the allowance in full rather than getting 25 per cent from the provinces, and I also believe that it should be paid without a means test.

Then the Prime Minister himself, in the same debate later on, supported this point of view, as did the Minister of Agriculture

and the hon. member for Peterborough. In talking about the hon. member for Peterborough, I do so with some reservation because we all know he has a special reason for his interest in the blind. I know that if he were in this house today he would find it desirable to repeat what he said in *Hansard*, as recorded at page 2931 on April 18, 1955. Then we have, of course, the observations of the Minister of Agriculture on April 1, 1957, page 2919:

> I was particularly sorry, Mr. Speaker, to find that the special guidance allowance, without a means test, requested by the blind was not provided in this budget.

He is speaking of the last session.

> I would hope the Minister of Finance might still provide for it at this session.

There is no means test eliminated by this amendment. There is no special guidance provided for in this amendment. While this does not affect the character of the amendment, the fact is that the hon. gentlemen who took strong positions when sitting on this side have obviously not taken the same strong positions when sitting on the treasury benches. Likewise, one could observe that while this is a fulfilment of assurances given during the course of an election contest, notwithstanding the dissatisfaction of the hon. member for Restigouche-Madawaska and the hon. member for Antigonish and others, this does represent in so far as it goes, the fulfilment of what was indicated but it does not deal with the formula proposed and assured for relating the benefits to the cost of living or for relating it to the gross national product.

Nevertheless, I am sure the house generally will recognize that anything we do for this particular class of citizen is something that is done with great eagerness and satisfaction. The blind people of our country, who number somewhere around 20,000, have by their own conduct given an example of self-help. They have not sought charity, but in providing this kind of assistance for them I am sure all of us, in all sections of the house, will derive much satisfaction.

Mr. Barnett: Mr. Chairman, like other hon. members in the house I listened with a great deal of interest to the various speeches which have been made by the hon. member for Essex East during the debate on this series of resolutions. I cannot help but suggest that it might be rather appropriate if he were to assemble the speeches he has been making in some sort of a booklet under the heading "A Short History of Social Legislation in Canada". There should be a foreword, of course, by the hon. gentleman to whom he referred a short time ago as the present leader of the official opposition. I am sure that if the hon. member were to do so we would all find a good deal of interest in examining the booklet. It has been quite obvious to me that the speeches he has been making have been more historical in nature than in suggesting any new forward-looking policy. When we had time to do a little historical research we would find such a booklet a very handy reference to have.

In introducing this resolution the minister used the words that it was exactly in line with the preceding resolution. This brought to my mind something that had already been in the back of it, that there is a certain monotonous sameness in the resolutions which the government is now introducing when compared with the resolutions that were introduced by the previous government not many months ago. In fact it seems to me, as one who sits here as a member of the present parliament, and having been here in the last parliament, it is almost as if we were playing a phonograph record and hearing the same thing played over and over again. I had hoped that, in some respects at least, the present government might have shown a little more of the spirit of adventure, more indication of a desire to do a little pioneering work, in the introduction of proposals for changes in social security legislation. However, it would appear that, for the present at least, they are content to remain stuck in that 22-year old rut that was ploughed so deeply and thoroughly by the former administration. I suggest that is particularly true with respect to the resolution which is now before us.

Reference was made by the hon. member for Essex East to the fact that in 1951 the bill which was then introduced in respect of blind persons pensions had met a six-point program which was brought forward at that time by the Canadian National Institute for the Blind. In the course of his remarks he also made some reference to a much more recent one-point program which has been jointly put forward by the Canadian National Institute for the Blind and the Canadian Council of the Blind. In his remarks he rather gently chided some of the gentlemen who now sit on the government benches for the fact that this proposal is not in line with some of the suggestions they were making at that time with regard to the one-point program.

I must say that I could not agree more with him in expressing my regret that this resolution does not take cognizance of that one-point program which has been put forward consistently over a period of years by the blind persons' organizations. However,

I would suggest that perhaps I am in a much better position to chide the gentlemen who now sit on the treasury benches about that particular matter than is the hon. member for Essex East. On several occasions in the house over the past two or three years I rose in my place when he was still minister of national health and welfare and urged upon him the value of and the necessity for bringing into blind persons legislation of Canada this one-point proposal for guiding allowance without a means test. Perhaps if he had been a little bit more willing to listen to some of us, both those who are still on the opposition side and those who were then on the opposition side, he might still have the pleasure of being the minister of national health and welfare. Those, of course, are some of the imponderables about which we cannot know. However, I feel that this is a serious omission as far as the present proposal is concerned.

I have had a number of discussions with some of the blind persons of Canada. As I think I mentioned in the house a year or so ago, I had the privilege of sitting in at a session of the annual convention of the Canadian Council of the Blind which was held in Victoria, British Columbia. At that convention I listened to what I considered to be sound and reasonable arguments for the adoption of that principle in legislation making provision for the blind.

The suggestion was made that those suffering from that sort of disability, with all the personal fears and misgivings that it brings about, would feel much greater freedom in attempting to make themselves self-supporting, active Canadian citizens if by law some provision were made for money security that will meet their special needs. As some of my colleagues have said in respect of some of the other resolutions, I certainly have no objection to the proposal for the increase that is being provided here on the means test basis; I have no objection as far as the increase in the amount is concerned. Nevertheless I feel that the government has shown a singular lack of imagination in the approach it has made, thus far at least, to this field of social security legislation and to this matter of blind persons allowances in particular.

Mr. Peters: Mr. Chairman, I too am pleased that this legislation has been introduced increasing the amount of income that is permissible. I should just like to mention one instance that has come to my attention in recent months. A gentleman who worked in the mines in 1942 was injured in a blast. He lost some of his sight and subsequently it entirely disappeared. He now obtains a small pension from the Ontario compensation board but does not quite meet the limitations that we provide in this section. He has a small farm, a wife and a couple of children. On that farm, he does some of the menial tasks that he can do and hires somebody to do some of the others. I would say that it could make no profit on a yearly basis. Recently he was receiving $9 a month under this section of the act. The Ontario administration or the section of it administering this act sent an investigator around. During the month in which they sent the investigator around he had sold two cows and a calf and his income, accordingly, was about $250. This amount, with his pension, brought him over the amount that he was allowed.

What I should like to ask is this. Would the minister be prepared to make suggestions —I presume there is an opportunity to do that in conjunction with the provincial authorities in the administration of this act— to the effect that if people are in circumstances where they are living on a farm and deriving some income from it, no claim may be made against income earned until the period of time has elapsed in which that income would be earned. In other words, to take the price of two cows and a calf and call that income in a one-month period is not reasonable having regard to the length of time it took to raise those animals. I should like to suggest to the minister that he take this matter under consideration when he is discussing the matter with the provinces and that they work out a much more satisfactory system of paying this money or of allowing income on an annual basis.

Mr. Ellis: Mr. Chairman, while I welcome the provision in the amendment for a higher basic allowance, I am rather disappointed that the government has not seen fit to accede to the representations and the wishes made known by members of our blind organizations in the country with respect to a special allowance to our blind people, free of a means test, in order to provide for the special costs of blindness.

I am sure that all hon. members have from time to time had the opportunity of discussing with officials of the Canadian National Institute for the Blind and the Canadian Council of the Blind the peculiar problems faced by our fellow citizens who are blind. Many surveys have been made to determine the amount or percentage of income spent by a blind Canadian which can be attributed directly to his physical disability. It has been suggested that a blind person working on a job might require an amount of 10 per cent to 15 per cent of his

income in getting to and from his place of employment. It is quite obvious that by virtue of being blind there is a need for guiding or other assistance which can be met only by the provision of a blind allowance made without a means test to all Canadians who are blind.

I am quite certain that the minister has received as has every member of this house, representations in previous years on behalf of these organizations and I wonder why at this time the government has not seen fit to proceed in this field towards the provision of such a special allowance. I say this because the special allowance to which I have referred, when combined with the allowance which we are now discussing and which is now under amendment, would acknowledge the basic human needs of our blind citizens on the one hand and on the other hand would of course take care of the special clause on blindness. I ask the minister if the government would not at this time therefore consider making such a provision. These representations have been made for several years; they were rejected by the previous government and I had rather hoped that perhaps with a change in the administration they would have received more favourable consideration.

Mr. Monteith: I would like to say one or two words with regard to the matter just raised by my hon. friend from Regina City. Actually the matter of the means test would have to be taken up with the provinces; since they share the cost they would have to be consulted. The Canadian National Institute for the Blind itself is not at the moment advocating the abolition of the means test; it has been advocating most recently an increased pension with the means test, which is what we are providing for. I am aware of the fact, however, that they have also been advocating what is called a guiding allowance free of means test. There has been no representation made in that respect since I took office. I am aware of the matter, however, and undoubtedly will be receiving representations as time goes on and in the months ahead I hope to at least give it consideration.

Mr. Ellis: Mr. Chairman, just on this point, representations regarding the special allowances or guiding allowances were made this year. As a matter of fact I have received several communications this year although I will admit, of course, they were received prior to the change of administration. I just wish to point out that the suggestions I have outlined here were requested by both the Canadian National Institute for the Blind and the Canadian Council of the Blind.

Resolution reported and concurred in.

Mr. Monteith thereupon moved for leave to introduce Bill No. 21, to amend the Blind Persons Act.

Motion agreed to and bill read the first time.

DISABLED PERSONS ACT

AMENDMENTS RESPECTING ALLOWANCE AND ALLOWABLE INCOME

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 to amend the Disabled Persons Act to increase to fifty-five dollars per month the maximum amount of allowance in respect of which payments may be made to the provinces under the provisions of that act, to provide, subject to regulations, for payments in respect of certain additional persons who are patients in institutions, and to increase the total amount of allowable income, inclusive of allowance, by one hundred and twenty dollars a year in the case of an unmarried person and two hundred and forty dollars a year in the case of a married person.

Motion agreed to and the house went into committee, Mr. Casselman in the chair.

Mr. Monteith: I do not propose to duplicate on this resolution the comments which I have made with respect to the proposed increase in the amount of benefits to $55 a month; nor do I propose to repeat the explanation I have already given in the debate on the old age assistance resolution with respect to the proposed increases in income ceilings. The amendments proposed to the Disabled Persons Act with respect to the amount of benefit and the income ceilings are precisely the same as those proposed for the Old Age Assistance Act and the reasons for them are identical.

The only further amendment proposed in respect of the Disabled Persons Act which requires a brief explanation has to do with the proposed changes affecting the eligibility of certain patients or residents in certain types of institutions. It will be agreed I think by everyone in the house that the Disabled Persons Act restricts to a very extreme degree the eligibility of persons who for one reason or another are confined to different types of institutions. In effect, in respect of certain types of institutions the ban is absolute.

Paragraph (e) of subsection 2 of section 3 of the present act provides in effect that no person can qualify for the disability allowance while he is a patient in a tuberculosis

sanitorium, a mental institution, an infirmary, a home for the aged, or an institution for the care of incurables. Persons in types of institutions other than those which I have mentioned are in some cases eligible for consideration under restrictions set forth in the disabled persons regulations. It is possible in other words under certain circumstances for a person who is a patient or resident in a hospital, nursing home, or a private, charitable or public institution other than those to which I have referred as being absolutely barred, to qualify for disability allowance.

I do not propose at this stage to go into all the detailed considerations which are set forth in the regulations other than to say that, generally, the regulations require that the cost of the patient's stay in the institution in question be paid for by relatives or friends or some other non-governmental authority before the application of a patient in any of these institutions can be considered.

This government considers that the restrictions placed on eligibility of institutionalized patients with respect to the Disabled Persons Act are much too severe. There may perhaps be a case for arguing that patients in mental hospitals and tuberculosis sanatoria be excluded, not so much on grounds of principle but simply because their inclusion would mean that by and large the federal government, through the Disabled Persons Act, would be contributing towards the cost of practically every single patient in a provincial mental hospital or tuberculosis institution. There may be a case for doing this; I am not arguing the merits of it at the moment. If federal support for institutions of this kind to this extent is justified, it would seem that the medium through which such financial support should be provided should be a medium other than the Disabled Persons Act. In other words, the Disabled Persons Act should be kept for its original purpose, mainly assistance to individuals, rather than be used for the purpose of having the federal government share with provincial and local authorities the admittedly heavy costs of providing these kinds of institutional care. Because of these considerations, the government does not now propose to alter the provisions of the present act with respect to persons in mental hospitals and tuberculosis sanatoria.

With respect to the other institutions which are presently under an absolute ban, namely infirmaries, homes for the aged and institutions for the care of incurables, the government proposes to move these out of the category of institutions which are subject to an absolute ban and into the category of institutions referred to in paragraph (f) of subsection 2 of section 3 of the act which will permit certain patients in these institutions to qualify for disability allowance on the same terms and conditions as patients presently qualified in hospitals, nursing homes or other private, charitable or public institutions.

A further reason for proposing this amendment has to do with the administrative difficulty that has been experienced in dealing with the different kinds of institutions referred to in section 3(2) (e) and 3(2) (f) of the act as they stand at present. It is often difficult, for example, to distinguish between homes for the aged, or infirmaries or institutions for incurables on the one hand, and nursing homes on the other.

Henceforth there should be much less difficulty. It is a relatively simple matter for example to identify a mental institution or tuberculosis sanatorium; patients in these will continue to be ineligible for the reasons already mentioned. But patients in any other types of institution, regardless of name or type, will be eligible to apply and may qualify, subject to the regulations. I may as well state frankly to the committee that we have not yet had an opportunity to examine the regulations to determine whether they, too, need changes to bring them into line with our ideas of what is fair and equitable. I propose as soon as practicable to make an examination of these regulations and to obtain the view of the provinces with regard to them. In the meantime we propose the change in the act itself to which I have made this reference.

The cost of the changes here proposed in respect of the Disabled Persons Act is subject to some uncertainty because the entire disability allowance case-load has not yet been completely stabilized. As hon. members know the act came into effect less than three years ago. At the end of the first year almost 24,000 recipients were on the rolls; in 1956 another 7,000 were added; in the first nine months of 1957 another 5,000, bringing the present total to about 36,000. Assuming the annual rate of increase continues at approximately 7,000 yearly for at least the next 12 to 18 months, we may anticipate an average monthly case-load in the next full fiscal year of somewhere around 43,000. The additional cost of the $9 monthly increase for this group would therefore be in the neighbourhood of $4.6 million, with federal and provincial shares divided evenly at $2.3 million each. Possibly as many as 1,000 individuals might be favourably affected by the amendment proposed with reference to certain types of institutions.

Disabled Persons Act

Mr. Martin (Essex East): Mr. Chairman, I have listened with great interest to the statement which the Minister of National Health and Welfare has just made, particularly to the amendment which he has proposed with regard to patients in institutions. I suspect it would be more desirable for us to deal with this particular amendment when we are confronted with its actual terms in the bill rather than deal with it now.

I agree that the problem of institutional care has caused great difficulty in the administration of this measure but I am sure the minister knows already that this act—an act which was almost pioneering in its character as far as this country was concerned—requires the gathering of experience in the application of its provisions. I think it would be only fair, even though I may incur, again, the understandable chiding of the hon. member for Comox-Alberni, that I should briefly give a little history about this as I have done with regard to the other measures. I do this for the purpose of impressing firmly upon hon. gentlemen opposite—though I do not think they really need this kind of impressing—that once again all these measures are amendments to measures introduced by Liberal governments.

This particular measure owes its authorship to the right hon. gentleman who is now the Leader of the Opposition. A few months after the election of 1953 he suggested this to me—and there had been no real public discussion of this, as the Prime Minister, who now shakes his head, will agree, he being in an extraordinarily happy mood today—there had been no discussion of this during the election of 1953. It was never made as a promise. Nevertheless it came into being shortly after that election as a result of the suggestion made by the present Leader of the Opposition, a man who will shortly be retiring from the public life of this country. I would like *Hansard* to note that I have said that this measure is due entirely to his suggestions and to some of the arrangements he made with two provinces in particular.

Mr. Diefenbaker: You are laying up treasure, now.

Mr. Martin (Essex East): Well, I will say this to the Prime Minister: If he watches me carefully he will find a way to lay up treasure.

Mr. Diefenbaker: In January.

Mr. Martin (Essex East): My hon. friend says "January". Is that the new election date?

Mr. Diefenbaker: Haven't you heard about it?

[Mr. Monteith.]

Mr. Martin (Essex East): The Prime Minister will remember his experience in these matters only a year ago. I was not here at the time but there was an event of some importance in the month of December and if there are any traces of that event in the house at this time he may look upon himself as an exemplar of this conduct.

The Minister of National Health and Welfare said there are some 35,000 beneficiaries under this legislation at the present time. That was the figure envisaged when the act was introduced and we also estimated at that time that the federal share would cost between $6 and $8 million. I should be very interested to know, when we get into the committee stage of this bill, whether or not the minister is able to give us some more precise indication of the cost of the proposed amendment, not that there is any exception taken to it but just as a matter of information; I would like to know what the present calculations of the department are.

Under the bill, the age of eligibility is set at 18 years. That age was set in accordance with the wish of the provinces, and I stated as much when the bill was introduced. Notwithstanding this, hon. gentlemen opposite, including the Prime Minister, took exception and thought the age ought to be lowered.

As a matter of fact, the Prime Minister went further in the statement he made when he said there were many things about the Disabled Persons Act which needed review and reconsideration, and he listed them; but I am not aware that any of the things he suggested should be reviewed are now incorporated in the amendment which the Minister of National Health and Welfare has just proposed.

Some hon. gentlemen opposite did take the position that the age of 18 was too high and that it should be reduced, and I know that the minister does not intend to make any changes in that particular. Likewise, there is no change being made in the residence requirement which was fixed at 10 years when the bill was introduced in 1953.

Now, there was a lot of complaint on the part of members when the act was introduced about the definition of disability and I am sure my hon. friend, with his access to departmental history, is in a position to confirm this statement. The original definition of disability was arrived at as a result of the experience, notably in the province of Ontario, the first province to have a disability act, and it was only as a result of the insistance of the province that the original definition was introduced.

I do not hide the fact that I always found that definition restrictive. I do not know that

I ever said so in this house. Possibly I was precluded from doing so, but I did feel that it was restrictive and as a result, as my hon. friend the Minister of National Health and Welfare now knows, there was a liberalization provided for in this definition last spring. I take it that since my hon. friend is not dealing with the definition of disability this modification, this change, made in the definition of disability is acceptable to him as it was to me last spring and as it was to all of the provinces.

I understand that the definition of disability as liberalized, as modified in the spring, has now been accepted by all of the provinces and possibly when we reach discussion of the bill the minister will give us further particulars on that score.

This brings to an end of the resolution stage the important and valuable amendments which have been introduced by the Minister of National Health and Welfare. All of these amendments are parts of acts previously introduced by those of us who sat on the treasury benches a few months ago. They represent part of a very important program of social welfare in this country which began first of all with old age pensions, with all of the modifications that took place, with the introducton of family allowances, with unemployment insurance, with blindness allowances, with disability allowances, with the national health program and with the Hospital Insurance and Diagnostic Services Act. All of these various measures are indications that the previous administration did sponsor every one of them.

Mr. Diefenbaker: Mr. Bennett sponsored unemployment insurance and you people had it thrown out.

Mr. Martin (Essex East): Mr. Bennett introduced unemployment insurance but the Supreme Court of Canada declared it ultra vires.

Mr. Diefenbaker: At your request.

Mr. Martin (Essex East): No manipulation of words by the Prime Minister will change this fact, that every bit of social legislation on the statute books of our country, with the exception of the increase of the federal share of old age pensions in 1932, was placed there by a government under Mackenzie King or Louis St. Laurent.

Mr. Green: Don't forget your $6 increase.

Mr. Martin (Essex East): Be careful about this business of indirect closure. Don't prevent a man from speaking in this house. Remember the rights of parliament can be violated by thwarting discussion.

Mr. Hodgson: You are a past master at it.

Mr. Martin (Essex East): This is exactly the kind of situation I like. The Prime Minister is a man for whom I have personally the highest regard, as he knows. We exchanged pleasantries at 2.30 p.m. in another room and he said that that did not preclude us from taking serious issue. I take issue with the Prime Minister now. Commendable as he is as a gentleman, I cannot help but admire but at the same time deplore the tactics which he so often employs—and employed particularly in recent months—of giving to the nation the impression that at long last we have a real sponsor of social legislation in this country, when the fact is, Mr. Chairman—

Mr. Hees: The hon. member never spoke better.

Mr. Martin (Essex East):—that not one bit of legislation in the social welfare field, outside of these amendments, can be attributed to the party of which my hon. friend is the head at this time, and no matter how uncomfortable he may find these statements, they are facts.

Mr. Green: They are not.

Mr. Martin (Essex East): And with no amount of manipulation on his part will he ever be able to deny it.

Mr. Bryce: Mr. Chairman, the Disabled Persons Act is an act in which I have been interested for a long time. In fact, on different occasions during the last parliament I complained to the then minister of national health and welfare about the administration of the act in the different provinces of Canada. The minister at that time assured me that the regulations were the same in all provinces. I have visited the 10 provinces of Canada and from what I have seen I am not satisfied with his statement because I found great differences. Every province has its own idea on the administration of the Disabled Persons Act. In some provinces the only persons who can benefit from this act are the ones who are either confined to bed or those who are unable to put on their own clothes or feed themselves.

In my travels I have met people who are able to do these things but at the same time they are too disabled to earn a living. Of course, differences in administration of the act are to be expected because each province has its own panel of doctors who may interpret the clauses of the act in a different way. One of the drawbacks of this act is the fact that it is a federal statute but administered by the provinces. When speaking on

this matter before in the house I have suggested that it might be a good idea to have a meeting of all the doctors who sit on the medical boards in each different province. The outcome of their discussion might help in enabling each province to administer this act in the same way.

Another matter I should like to draw to the minister's attention regarding the Disabled Persons Act is where—

The Deputy Chairman: Order.

Mr. Bryce: I will be only a couple of minutes. May I have the unanimous consent of the committee to continue.

Some hon. Members: Go ahead.

Mr. Bryce: Thank you. Another matter I should like to draw to the minister's attention regarding the Disabled Persons Act is where the province attempts to find work for a disabled person or teach him a trade in which to earn his livelihood. In some cases, after a trial of about three months, it is found that they are not fitted for work of any kind. Sustained employment for three months is necessary to determine whether strain of full employment is too much for the disabled person. However, while employed for these three months or so the disabled person must disqualify himself from receiving his allowance under the Disabled Persons Act. The risk of losing the allowance as well as the lack of certainty of the handicapped person's ability to continue employment on a full-time basis deters any handicapped person from attempting to become self-supporting. Would it not be possible for the minister to amend the act so that a person could get his pension while he is trying to establish himself and make his own living? As it is at present, immediately he starts to work his pension stops, but if it proves that his work is too much for his state of disability he has to apply again to the board to be reinstated under the Disabled Persons Act.

This may take three or four months before he gets a hearing by the board and he loses his pension in the meantime.

The Deputy Chairman: Shall the resolution carry?

Mr. Shaw: I have something I want to say but it is five o'clock.

Progress reported.

Mr. Speaker: It being five o'clock, the house will now proceed to the consideration of public bills and orders.

[Mr. Bryce.]

CANADA ELECTIONS ACT

AMENDMENT RESPECTING PRINTING OF BALLOT PAPERS

Mr. Ray Thomas (Wetaskiwin) moved the second reading of Bill No. 12, to amend the Canada Elections Act (ballot papers).

He said: Mr. Speaker, as I indicated on first reading of the bill, I have introduced this measure on a number of occasions before. Therefore I will be very brief in what I have to say because those hon. members who were here during the last parliament will be quite familiar with it and I will just say a few words by way of explanation to those who may not be familiar with the history of the measure.

The bill has two provisions. The first is to put the political affiliation of the candidate on the ballot paper. The purpose of the second is to provide that the leader of any of the political groups in the country can, if there is any doubt, send or give a letter to the returning officer indicating which of the candidates in any constituency is the official representative of the particular political party.

During the course of the debates in the last few years when I have brought this measure before the house it has been pointed out that we are not elected to the House of Commons as members of political groups but as representatives of the people of Canada and therefore political affiliation should not be taken into consideration. I think that is a rather weak argument because if hon. members will look at the seating plan of the house they will find that each of the groups in the house is definitely designated according to political affiliation. They will find also if they look at the back pages of *Hansard* each Wednesday that the political affiliation of every member of the house is shown in the list of members.

Whether or not we want to admit it, Canada does have a party system. Each candidate as he goes into an election does so duly nominated by his political party. He goes into the campaign on the hustings as the representative of that political party regardless of the fact that no mention of his political affiliation is made on the ballot or nomination papers. In checking the Parliamentary Guide through the years I have found numerous instances—hon. members will find that the same thing was true on June 10 last—where in past elections some of the parties have felt they did not have a chance to win a particular constituency and have deliberately gone out and selected a candidate with a name either identical to or very similar to that of the candidate whom they hoped to defeat.

When I introduced the bill last session one argument put forward against the bill was that if a man were sent to the House of Commons as the representative of a political group it might stand in his way if he wanted to cross the floor or change from the government side to the opposition side or vice versa. I should like to point out that within recent times we have had a very good example of that and apparently the fact that this person was in the house as a member of a certain party did not make a bit of difference because when he made his statement about changing he said that he was changing from one party to another.

There is only one more point I wish to raise. There are provinces in Canada which have adopted the policy of accepting the fact that we do have party politics in this country and have placed the political affiliation of candidates on ballot papers. It has worked out very well. In order to save confusion in the future, I think the best thing that we in the House of Commons can do is to adopt a practice which has been accepted and found wholly adequate in some of the provinces and thus, where there might be confusion, give the people the opportunity to know which candidate represents the party for which they would like to vote.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I most certainly am strongly in favour of the bill which has now been introduced. The practice of putting the party affiliation of the candidate on ballot papers has been in effect in the province of British Columbia for a great many years.

Mr. Pickersgill: Look what it has resulted in.

Mr. Winch: My hon. friend says, "Look what it has resulted in." I say, Mr. Speaker, that if that is the will of the people then that is the result that should take place. There is another very good thing that has happened. It has kept my hon. friend's party out of office in that province. The people do not want them.

The important thing that we should keep in mind is, what is the meaning of a democratic election? Surely it is that when voters go to the polls they should be able to be certain that they are actually voting the way they desire to vote. In all honesty, I think we all have to admit that voters are divided into two categories.

There are those who vote for an individual, and there are hundreds of thousands of them, and on the other side there are those who vote because they believe in the principles of a certain party and want to support the candidate of that party. Those who are motivated in the casting of their ballots by the desire to vote for an individual know the name of that individual. I think we all go through the experience, and it happens on innumerable occasions, of finding that those who want to cast a ballot for a particular party cannot remember the name of the candidate of that party.

Mr. Pickersgill: Shame.

Mr. Winch: My hon. friend says, "Shame". It is not so much the shame of the parties themselves because they might not have the money or the opportunity to get the name of the candidate before the people. You cannot say it is too much to the shame of the individual, either, but if there is any shame it is on the individual.

Now, Mr. Speaker, you know humans are human—

Some hon. Members: Oh, oh.

Mr. Winch: This may sound strange, but humans are human and they are subject to human nature. Very often people cannot recall the name of the candidate of a specific party. I might say that in British Columbia we found the Liberals and Conservatives really topnotch in trickery when they were hoping, by a little bit of subterfuge such as picking a candidate with the same name as a person already nominated, to create confusion. This has occurred in British Columbia on more than one occasion, and on more than one occasion the perpetrator of that trickery was the Liberal party. This may be poor strategy in the minds of some people, but it does create a situation in which a voter does not know which one of these John Does or Frank Smiths, whatever the name is, is the one for whom they want to vote. The only way in which these people can be sure they are voting for the right person is to have the political affiliation marked on the ballot. If the candidate has no political affiliation, then he is shown as an independent.

Surely, the major principle is to give every voter, even if as my hon. friend said a moment ago they might at times be stupid—he said it, not I—a full opportunity to cast his vote in a way that will express his wishes. Now what is wrong with that? Is it that there are some hon. members here who are afraid to have their political affiliations marked on the ballot? I would say, surely not. Therefore, what objection can be made to having that marked on the ballot?

For many years this principle has been followed in provincial elections in British Columbia. I feel absolutely safe in saying that not one of the four parties in British

Columbia would want to remove this principle because it has proved to be most successful. When the hon. member introduced this bill last year, I recall one of the objections that was raised by one of the cabinet ministers at that time was the difficulty of being able to designate who was the official candidate. So far as my knowledge goes, this occurred only twice over the years in British Columbia. When this happened the political leader immediately notified the returning officer by telegram, and under the act the candidate so designated became the official candidate and the person who was trying to get the votes and the kudos of the party to which they did not belong was put down as an independent.

So, Mr. Speaker, no matter how you look at it, from the viewpoint of experience or from the viewpoint of the voter having the right to know he is voting the way he wants to vote, I can see no objection to this measure. Of course once a member is elected and appears on the floor of this house, he is representing all the constituents. But let us not kid ourselves. We are elected according to our party affiliation, so let us be honest enough to have that affiliation marked on the ballot paper.

Hon. Ellen L. Fairclough (Secretary of State): Mr. Speaker, as the sponsor of the bill has said, this bill in the same form has been before this house on previous occasions. When I was occupying a seat on the other side of this house I opposed it, as did my colleagues. I have had no reason since to change my mind about that stand, not that I am averse to changing my mind if I am convinced but in this particular case I am not convinced that the arguments which held good in our opinion at that time are not equally valid today.

In 1955, when the committee on privileges and elections sat, this question was on the agenda. It was not discussed. It was brought up, if my memory serves me well, in a letter from a Social Credit member and also in a resolution from a union local. No one in the committee spoke to it, and the thing just died a natural death. Later the same year, I believe it was, the hon. member's bill first appeared on the order paper. It was subsequently debated and was defeated. Then, again, early this year it was once more on the order paper but no action was taken; there was a debate, but the debate was not concluded.

Since then, Mr. Speaker, we have gone through another election. One would expect that if anything might change a person's mind it might be the experience one encountered in an election campaign. Like everyone else, I had many such experiences, and found some amusing and some not. I recall one particular experience which, in my opinion, was not so much amusing as it was an indication of the type of situation which the hon. gentleman has described and to which the hon. member has referred. It was late in the afternoon of polling day and I had been visiting a poll in my riding. When coming out I discovered a gentleman and his wife carefully scanning a poster which was on the outside of the poll. As I came out, they accosted me and said, "Could you tell us who is the C.C.F. candidate?" I must say, Mr. Speaker, it did cross my mind to say, "Fairclough".

Mr. Pickersgill: They probably wanted to vote against him.

Mrs. Fairclough: However, I thought that was scarcely cricket, and I explained to them that the Canada Elections Act did not permit the inclusion of party affiliations on the ballot. I suspected that they knew who I was all along, so I just left it at that. I have wondered since what they would have said to me if I had said "Fairclough". I did not have the pleasure of observing that particular reaction. I can well believe there is a different situation in some of the remote areas from what there would be in the heavily populated parts of the country.

However, Mr. Speaker, between the announcement of the election and the actual polling day I think there is ample opportunity for the various candidates to make themselves known to their constituents. Even in remote areas I find it extremely hard to believe that a voter could be in the peculiar position of not having seen a single piece of literature or of not having heard a speech from a public platform, a street corner, on the radio or on television or of not having had someone call at his home. I think it is quite unlikely because it seems to me that, if he were in such a remote location that none of these things happened to him, he would probably be equally removed from the vicinity of the poll. Consequently it is quite likely he would not get to the poll, a thing which would be most deplorable. But if he is anywhere in the neighbourhood of a poll it seems to me that he is also available to the various types of communication which are daily becoming more and more efficient.

Someone made reference to possible trickery—I think that was the term used—which might be indulged in by a party or a candidate in having put into nomination the name of someone with precisely the same name as the official candidate of a recognized party. Whether or not this is done delibrately for that purpose, it has happened several times in the past and it happened

consistently in at least one riding I can think of. Yet the member who represents that riding, and who has been a member of this house for many years, manages to have himself re-elected time and time again. Apparently the people in his constituency are quite aware of his name, who he is and where his name appears on the ballot.

The hon. member for Vancouver East (Mr. Winch) indicated that he would suggest that if a candidate was not a member of one of the recognized parties, he should be listed merely as an independent. I think it may be interesting to note that in the last election there were at least 16 different descriptions of candidates and no one party laid claim to all of the independents. In the list I find that there are Independent Progressive Conservatives, Independent Liberals and Independent Social Credit. A well known and highly respected member of this house consistently runs under the description of Liberal Labour and I wonder whether the hon. member for Vancouver East would have him classed as an independent simply because he did not use the name Liberal by itself. Among the descriptions which appear were such intriguing ones as Canadian Democrat; and one for which I am sure no leader of a political party in this house would vouch is one who ran under the description of Liberal Conservative Coalition. If he were elected, I would not know just where he might sit. Maybe he would take turns sitting with each of us.

In any event, all of these things, if they do nothing else, point up the rare degree of individuality which we find in election candidates. It seems to me it would be a sorry day if that state of affairs ceases to exist. I do not believe that any candidate should be circumscribed by such a description as "Independent" when he has an imagination which will produce such descriptions as those which have been placed on nomination papers and of which there are many examples other than those I have mentioned.

Mr. Winch: He is still an independent and would be so designated as an independent.

Mrs. Fairclough: Who?

Mr. Winch: Anyone who tries to run under any designation such as that. He should not get votes as a Liberal or coalition candidate; he is an independent and that is where he belongs.

Mrs. Fairclough: I am sure that the hon. member has had sufficient experience to know that when the election is all over and the house is formed a great many of these people who run under such designations find their way into one of the four parties which are represented in this house. However, this is a matter which is for this house to decide. The hon. member has debated this bill previously. Many hon. members of this house have spoken to it. It is not my intention to reiterate anything that has been said previously or to rehash the debates either in this house or in committee. Each of us has his own opinion and that is the basis for the vote which we give in this house. That opinion, in the case of an affiliation described on the ballot paper, is quite likely based on the personal experience of the individual member. Without saying anything further on this measure, Mr. Speaker, may I just conclude by saying that we find we cannot support it.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I believe I am now occupying the seat that was occupied in the last parliament by the hon. lady and I find it extremely difficult to disagree with anything that she has said on this occasion. I find—probably for the same reasons as the hon. lady has found—that there are few people of my name who try to get nominated in my constituency in order to confuse the electors. If my name were Smith, Jones or Winch, the situation might be different.

I really do not feel strongly about the bill. If there were only four political parties in this country and if everybody was agreed about who belonged to which, and if everyone was agreed—as they are about the four parties in this house—as to who their leaders are, it would seem to me—although I do not think it is very important at all—not very important if the bill were passed. I think the hon. lady put her finger on a real difficulty in connection with passing this kind of legislation.

Although the hon. member for Vancouver East (Mr. Winch), who of course believes in regimentation anyway as a matter of principle, thinks that all sorts and varieties of men who will not fall into one of the four parties in this house should be forced to describe themselves as independents, I as a Liberal would not like to circumscribe their freedom in that way. If a man wants to call himself an aggressive Conservative or even a reactionary Liberal or even a democratic Socialist, I think he should be perfectly free to do so if he can get the necessary $200 and the necessary number of electors to sign the nomination paper. As the hon. lady said she would be, I would be very sorry to see that change.

I think that returning officers would be presented with a good many serious problems if this legislation were passed, particularly in its present form. There is a political organization—

An hon. Member: What is it?

Mr. Pickersgill: If the hon. gentleman could just possess his soul in patience for a second, that is precisely what I was going to explain. There is in this country a so-called political party that describes itself as the Labour Progressive party. I should like to know who would be recognized as the leader of that party for the purpose of this legislation. It seems to me that it would be perfectly ridiculous to recognize that organization which has no representation in this house as a political party and yet what would one do if someone got himself nominated, describing himself as a Labour Progressive candidate? Half the name indeed might well be confused with the name of the hon. lady's party—

Mrs. Fairclough: There is that possibility.

Mr. Pickersgill: And I am sure no one would want to see that happen. It seems to me also that the case to which the hon. lady referred, the case of my hon. friend the member for Kenora-Rainy River (Mr. Benidickson) presents very great difficulties. No one has ever doubted that the hon. member for Kenora-Rainy River is a member of the Liberal party but the political organization to which he belongs in his own constituency has been called the Liberal Labour organization for historical reasons. There is no reason why that should be changed and I do not favour regimentation in an effort to change things like that.

In the province where I spent 30 years of my life, for many years the Liberal party has described itself, long before the hon. members opposite took up the designation, and still describes itself, for provincial purposes as the Liberal progressive party. It is no less Liberal on that account.

An hon. Member: And no more progressive.

Mr. Pickersgill: Well perhaps as the hon. gentleman suggests it is no more progressive than it used to be, but it is a good deal more progressive than these latter day progressives immediately opposite.

Mr. Hees: That is not what the people thought on June 10.

Mr. Cardiff: It is like the old story "there goes Johnny coming back".

Mr. Pickersgill: If the electorate are as ill informed as the member for Vancouver East seems to think they are—although I do not agree with him—I can only say that my constituents had no difficulty in distinguishing between the Liberal candidate and the only other candidate there was. Perhaps I could just illustrate what the difficulty might have been in my own constituency the first time I was a candidate—this would not have been a difficulty for me but for the gentleman who for a temporary period associated himself with the Progressive Conservative party and who ran against me. He had been a provincial Liberal cabinet minister and then for a very short spell associated himself, as I say, with the Progressive Conservative party and contested the election against me—

An hon. Member: As a Progressive Conservative?

Mr. Pickersgill: As a Progressive Conservative, at least that is what we understood he was. Shortly after that he joined the C.C.F. in Newfoundland and I believe he has since left that party.

An hon. Member: And left the country?

Mr. Pickersgill: It is doubtful if he supports any party at the present time but it does seem to me, while I am a Liberal and something of a radical at that—

Some hon. Members: What?

An hon. Member: Radical Jack.

Mr. Pickersgill: There are some respects in which I do feel that a real case for a change should be made out before a change is in fact made.

An hon. Member: That was done on June 10.

Mr. Pickersgill: It does not seem to me that a sufficient case to make such a change worth while has been made out and that is why I will vote against the bill, if it should come to a vote.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I am thinking for myself.

Some hon. Members: Hear, hear, another radical.

Mr. McIvor: I remember very well when people of different types were afraid to make a public profession. I am in favour of this bill because I do not want to be tagged to anything except that in which I believe, but I do want that tag. It may be difficult for the returning officers but with all the respect and admiration I have for my friend who just sat down,—

An hon. Member: Give him a kiss.

Mr. McIvor: —it has nothing to do with the party. He is a declared candidate and while I may not ever be a candidate again and I do not expect I will be—

Mr. Pickersgill: Do not be too sure.

An hon. Member: The majority was very small last time.

Mr. McIvor: —I say that a person should be known by the profession he makes and if he makes no profession then he should say "none".

Mr. T. S. Barnett (Comox-Alberni): I think Mr. Speaker, that the hon. member for Fort William (Mr. McIvor) must at some time have paid a visit to the province of British Columbia and have associated with some of the Liberal and Conservatives of that province because in supporting this bill—and in speaking for myself as I am sure each one of us is doing—he made a suggestion which I think has now received quite general acceptance within the province of British Columbia by the people of all political interests. I have risen on at least two previous occasions to support a bill introduced by the member for Wetaskiwin (Mr. Thomas), such as the one we now have before us and I think I am doing so from some experience of the situation which was outlined by the hon. member for Vancouver East (Mr. Winch). We have been able to compare the situation between our provincial election act which makes this provision and the federal election act which does not. I imagine in the course of the last four or five years I have probably received hundreds, certainly dozens of complaints from people in my district with respect to the fact that the federal elections act does not have in it a provision such as this bill proposes.

Now it is all very well for the hon. Secretary of State (Mrs. Fairclough) to speak of her experience in a riding like Hamilton West and to speculate upon the situation in what she has described as remote areas; to suggest that there must be something wrong with the voters if they have not had an opportunity to know who are the candidates running for the various political interests.

Mrs. Fairclough: Something wrong with the candidates.

Mr. Barnett: I would suggest to her that she might consider changing her place of abode and perhaps run in Comox-Alberni during the next federal election, whenever that may be.

An hon. Member: You would be out.

Mr. Pickersgill: You had better take care.

An hon. Member: McQuillan will give you enough trouble.

Mr. Barnett: Oh, we will deal with McQuillan if he should be a candidate again.

She would probably have the experience that I have had over and over again, of having people, quite sincerely and honestly ask her who the candidate is in her riding for the Liberal party or the Conservative party.

It is a physical impossibility in the time allotted for any candidate in a constituency like Comox-Alberni to visit all the polling districts in that constituency. I know. I set out on May 1 and travelled continuously until May 20 in areas where one does not travel by car but by plane or boat. I slept in a different place every night but even so I was able to visit only the larger polling places, and I know the same applied to the other candidates who were contesting the election. There were many polling places out of the 150 or so in a riding such as Comox-Alberni which no candidate was able to visit. That, I think, is one of the very practical considerations involved in this proposal.

As I have listened to this proposal debated from year to year I have asked myself: why all this fuss and holding up of hands in horror at the suggestion of having the political interest indicated on the ballot paper? It seems to me that this is a much more significant thing to have mentioned on the ballot paper than the occupation of the candidate as is required at present because, after all, I do not think it makes very much difference, really, whether a man is a farmer or a lawyer or a merchant; what matters more is the kind of representation he is going to give the people of his area in the House of Commons. It certainly is a matter of more legitimate concern to every voter to know what particular political point of view a candidate will be presenting here on his behalf.

I am very happy once again to support the measure introduced by the hon. member for Wetaskiwin and I might perhaps add that I have another particular reason for supporting it on this occasion, a reason which was not in my mind when I supported the bill previously. This is something I discovered in the course of a trip I made through the province of British Columbia. The hon. member for Vancouver East indicated that one of the results of a provision in the British Columbia elections act makes it a little more difficult for people to attempt to trade upon the names of opposing political interests. In the course of my travels I discovered that apparently at least one of the

colleagues of the hon. member for Wetaskiwin felt it necessary to attempt to ride a little bit on the name of one of the other political interests represented in his riding.

Mr. Thomas (Wetaskiwin): Not so.

Mr. Barnett: I have in my hand an election poster. No sponsor's name appears on it, but at the bottom it says "Leboe" with a big X, and down the side it has three rather large letters which read "C.C.F." If you put on your glasses and look at it closely you will find that alongside the top "C" it says "Carmichael" and opposite the next it says "Close" and against the bottom one it says "Ferry". So if you take out a microscope, you will realize that this is in effect a magnified sample ballot and the names of the four candidates running in the election, together with the riding, are all indicated on it.

I suppose those who sponsored this particular piece of literature may have thought it was an interesting way of securing the attention of voters, but it also indicates apparently, that the present member for Cariboo (Mr. Leboe) and some of his supporters thought that if he was going to be returned to this house he would have to make use of the name of the C.C.F. party. That is quite a compliment to the political organization to which I happen to belong, and I am sure that when the next election comes the voters in Cariboo will probably take the advice and vote for the real C.C.F. candidate.

I think this does provide a very good illustration of the point that the hon. member for Wetaskiwin had in mind when he moved this bill, because it would prevent or discourage certain of his colleagues from resorting to this type of practice when they are conducting their election campaign, and that is perhaps one of the reasons why the people generally in British Columbia have agreed that this proposal is a good one.

Mr. E. J. Broome (Vancouver South): Mr. Speaker, I think this bill has just about the right amount of meat in it for me to try my rather fledgling wings. There has been no real reason advanced by any hon. member who has spoken as to why this bill should be approved.

An hon. Member: Not be.

Mr. Broome: As far as the problem of names is concerned, hon. members on this side of the house are the only ones who have to fear that in the next election, and I do not think we are very much afraid of that. With regard to limiting the number of parties, as the hon. member for Vancouver East (Mr. Winch) would wish to do, the effect of that would be that outside the Liberals, the Conservatives, the Social Credit Party and the C.C.F., everyone else would become Independent.

An hon. Member: No.

Mr. Broome: But think what a terrible thing that would be, because if there were ever a reform element within the Liberal party it might become "the Liberal Liberal Party". The proposal would stultify growth in the other parties and, I think the house would agree, that is not to be desired.

With regard to the other matter which has been mentioned, a candidate who has been so inactive that his constituents do not know his name or political affiliation. Considering the many means of disseminating information throughout the riding, even remote ridings such as those covered by the hon. member for Comox-Alberni—

Mr. Barnett: They were asking me who the Conservative candidate was in the last election.

Mr. Broome: There may have been one or two who did not know, but considering the means of disseminating information now available, I doubt whether there are many people in any riding, no matter how widely spread it is, who are not aware of the names of the candidates.

If this should happen it would be because the candidate has made no news. Our newspapers are fair during an election campaign, and if a candidate has worked, his name will be in the newspapers. One might as well say it is just as unfair to put the names on the ballot paper in alphabetical order. I expect some day to hear of a bill proposing that the names be placed in a hat and drawn out.

Mr. Speaker, there is no real merit in this bill whatsoever. It is something to take the place of thinking. It is something to promote a feeling, almost designed to assist certain sections of the population to vote without knowing what a candidate stands for or whether he would be a suitable person to represent a constituency. It is an alternative to thought, and I do not see how any one who has any real feeling for a democracy could fail to understand that a voter should vote for the person whom he thinks can best represent him, and all the people of the riding, in parliament.

There is no place for such a measure as this on the statute books and I shall be delighted to vote against it if the matter comes to a vote.

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, I rise to oppose the bill. I do so with a certain amount of reluctance because of the

fact that at least two of my colleagues have spoken in favour of it, but this is the kind of question upon which I am sure each member speaks his own mind and for himself and not for his party.

I cannot object too much to the first provision of the bill; in other words, the candidate who takes out a nomination paper and wishes to put on that paper something to indicate his political affiliation or interest perhaps should be permitted to do so. I think, Mr. Speaker, that that can be done right now without any amendment to the Canada Elections Act whatsoever because under the act at the present time there is provision for the candidate to place his name, his address and his occupation on the paper. If a person wishes to name his occupation as Social Credit there is absolutely nothing to prevent his doing so at the present time.

It is the second part of the bill to which I have more serious objection, and I do say that in all sincerity because I think it would create a very dangerous, if not a chaotic situation. I think the sponsor of this bill, if he thinks the thing through carefully, will probably see what I mean. It provides that in case the returning officer has any doubt as to the proper political affiliation:

> The name of the political party or interest represented by a candidate shall be shown in the manner required by the written direction, if any, of the recognized leader of such party, which shall be filed with the returning officer before five o'clock in the afternoon of nomination day: Provided that where the recognized leader of the political party or interest represented by a candidate does not file a written direction the name of that party shall be shown in the manner in which it appears on the nomination paper of the candidate.

In other words, the recognized leader of the party shall provide the proper designation of what is considered to be the official candidate. One serious objection to that has already been raised by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) which I think is quite valid. That is, it would force the hand of the returning officer, and put him in the position of having to recognize a poltical party which perhaps today does not exist, or evists only in the minds of those who are interested in that particular movement. I think I can cite an example. The comumnist party of Canada no longer exists except in the minds of the communists. Their official designation now, as far as I can gather it, is Labour Progressive. They are not considered to be, or recognized to be, a major or even a minor political party in Canada. But every time someone attempted to run as a Labour Progressive candidate, or even as a communist candidate, he would have the right, under this legislation, to have the leader of his party recognized by the returning officer in his constituency. I think that is a sort of left-handed way of doing something which the sponsor of the bill himself would not want to do.

Not only that, but the bill provides that the recognized leader of the party concerned shall do the designating. Now who is the recognized leader? I wish to point out to my Social Credit friends that up until three weeks ago in the province of Manitoba the Social Credit movement had three leaders and none of them was recognized by the Social Credit party. Who is going to be the recognized leader? Who is going to do the designating in that province?

They would find themselves in an impossible situation, where the returning officer would first of all have to be the person to decide what is a recognized party; and, second, who is the recognized leader of that party.

With all due respect to the sponsor who has good intentions I wish to point out that the returning officer in a constituency has enough to do, within the very limited time provided under the elections act to do all the things he is called upon to do, without having to decide who are the recognized parties in the country and who are the recognized leaders of the recognized parties. I would also like to say there are a good many returning officers who would not be qualified, in my opinion, to do that. They would not have the knowledge, nor do I think it is their responsibility to do that kind of recognizing.

Just in case the sponsor of this bill might think I am opposing it because I personally have reluctance to make known on my ballot, or on my nomination paper, what my affiliation is, I wish to tell him that is not the case. I am a member of the Co-Operative Commonwealth Federation and have been for well over 20 years now, and I have been a candidate under the sponsorship of that party on seven different occasions, and I have no intention of changing that affiliation. Therefore it is not a personal matter with me; but I do want to point out the weaknesses of the bill. My advice to the sponsor would be this—his intention I respect—the only step which I think could be properly taken in these circumstances is for him to withdraw his bill, think the matter through carefully, and present a different type of bill with which he may have greater success.

Some hon. Members: Six o'clock.

On motion of Mr. Herridge the debate was adjourned.

Business of the House

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask the leader of the house what is the business for Monday.

Mr. Green: On Monday we plan to carry on with the discussion on the resolution concerning pensions for the disabled, and then to take second reading and committee stage of the bills amending the Old Age Security Act and the Old Age Assistance Act and then the Blind Persons Act, followed by the resolutions standing in the name of the Minister of Veterans Affairs, and then the throne speech debate.

Mr. Chevrier: I wonder whether the leader in the future, when he announces the business, would consider referring to the items on the order paper. It has been brought to my attention by some of the new members that when there are several resolutions standing in the name of a minister sometimes it becomes confusing. I wonder whether the house leader would not just refer to item 3, as an example. I do not mean that he should do it now, but perhaps in the future.

Mr. Green: I would be glad to.

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:

DEFENCE PRODUCTION—COAL CONTRACTS, TORONTO

Question No. 27—**Mr. Hansell:**

1. Did the Department of Defence Production contract with a Toronto firm during August for the purchase of coal?
2. If so, what was the name of the firm?
3. Were public tenders called for? If so, what firm submitted tenders?
4. What specifications of coal were called for?
5. Was this coal to be secured from Canadian coal mines?
6. What was the amount of the contract?
7. What tonnage of coal was called for?

Answer by: **Hon. Howard C. Green (Acting Minister of Defence Production):**

1. Yes.

2. (a) Weaver Coal Company; (b) The Milnes Coal Company Limited.

3. Yes—Weaver Coal Company, Toronto, Ontario; Halliday Fuels Limited, Toronto, Ontario; The Milnes Coal Company Limited, Toronto, Ontario; C. L. Amos Coal Company (Canada) Limited, Montreal, Quebec; Mongeau & Robert Cie Ltee, Montreal, Quebec; Rochester & Pittsburgh Coal Company (Canada) Limited, Toronto, Ontario; Rogers Montreal Limited, Montreal, Quebec; The Winnipeg Supply & Fuel Company Limited, Winnipeg, Man.; Coleman Collieries Limited, Winnipeg, Manitoba.

4. 7,700 tons (maximum) coal, bituminous, prepared stoker, high volatile, medium size range top from 1" to and including $\frac{1}{2}$" by bottom size limit $\frac{1}{8}$". F.P.A. under 2400°F. to spec. 18-GP-6 (American) or 18-GP-1A (Canadian).

4,000 tons (maximum) coal, bituminous, prepared stoker, high volatile, large, F.P.A. under 2400°F. to spec. 18-GP-6 (American) or 18-GP-1A (Canadian).

650 tons (maximum) coal, bituminous, nut $1\frac{3}{4}$" × 1" high volatile to spec. 18-GP-6 (American) or 18-GP-1A (Canadian).

Contract awarded to contractor (a) above.

850 tons (maximum) coke, stove, type III, low temperature to spec. 18-GP-2 (coke), or coke, nut, type 1A, high temperature to spec. 18-GP-2 (coke).

2,100 tons (maximum) coal, bituminous, nut slack, high volatile to spec. 18-GP-6 (American) or 18-GP-1A (Canadian).

Contract awarded to contractor (b) above.

5. This was not a condition of the tender. In the assessment of tenders the department utilizes the services of the interdepartmental fuel committee. This committee was established in 1948 and is made up of representatives from each federal department purchasing coal, Department of National Defence, Department of Mines and Technical Surveys and the dominion coal board. Tenders are assessed not only on the basis of the lowest price received but also on the basis of the lowest cost per million B.T.U. Consideration is given to firm prices in preference to prices subject to escalation and also pursuant to cabinet directive of March 8, 1955, preference is given to the purchase of Canadian coal as opposed to American coal where the difference in price is within 10 per cent. The types of coal purchased vary, depending on the location and the burning equipment available.

6. (a) $136,812.00; (b) $39,677.50.

7. Question answered by No. 4 above.

DEFENCE PRODUCTION—COAL CONTRACTS, MONTREAL

Question No. 28—**Mr. Hansell:**

1. Did the Department of Defence Production contract with a Montreal firm during August for the purchase of coal?
2. If so, what was the name of the firm?
3. Were public tenders called for? If so, what firms submitted tenders?
4. What specifications of coal were called for?
5. Was this coal to be secured from Canadian coal mines?
6. What was the amount of the contract?
7. What tonnage of coal was called for?

Answer by: **Hon. Howard C. Green (Acting Minister of Defence Production):**

1. Yes.

2. (a) Scotch Anthracite Coal Company Limited; (b) Rogers Montreal Limited; (c) Dominion Coal Company Limited.

3. Yes—Scotch Anthracite Coal Company Limited, Montreal, Quebec; Herbert Fuels Limited, Cobalt, Ontario; Rochester & Pittsburgh Coal Company (Canada) Limited, Toronto, Ontario; Anthracite Sales Company Limited, Toronto, Ontario; Canadian Fuels Limited, Toronto, Ontario; Halliday Fuels Limited, Toronto, Ontario; The Sarjeant Company Limited, Barrie, Ontario; Canadian Import Company, Montreal, Quebec; The Milnes Coal Company Limited, Toronto, Ontario; Weaver Coal Company, Toronto, Ontario; Mongeau & Robert Cie Ltee, Montreal, Quebec; Rogers Montreal Limited, Montreal, Quebec; LaSalle Coke Company, Montreal, Quebec; C. L. Amos Coal Company (Canada) Limited, Montreal, Quebec; William Wilson Coal Company Limited, Lachine, Quebec; Dominion Coal Company Limited, Montreal, Quebec.

4. 2,200 tons (maximum) coke, nut type 1A, high temperature, spec. 18-GP-2, or

Coal, anthracite stove spec. 18-GP-1A; contract awarded to contractor (a) above.

4. 15,000 tons (maximum) coal, bituminous, low volatile, Pocahontas type within the size range of 1" × 5", spec. 18-GP-6 (American) or 18-GP-1A (Canadian); or coke, stove type III low temperature to spec. 18-GP-2 (coke); or coal, anthracite stove to spec. 18-GP-1A (anthracite). Contract awarded to contractor (b) above. 7,250 tons (maximum) coal, bituminous, nut slack, high volatile to spec. 18-GP-6 (American) or 18-GP-1A (Canadian). Contract awarded to contractor (c) above.

5. This was not a condition of the tender. In the assessment of tenders the department utilizes the services of the interdepartmental fuel committee. This committee was established in 1948 and is made up of representatives from each federal department purchasing coal, Department of National Defence, Department of Mines and Technical Surveys and the dominion coal board. Tenders are assessed not only on the basis of the lowest price received but also on the basis of the lowest cost per million B.T.U. Consideration is given to firm prices in preference to prices subject to escalation and also pursuant to cabinet directive of March 8, 1955, preference is given to the purchase of Canadian coal as opposed to American coal where the difference in price is within 10 per cent. The types of coal purchased vary, depending on the location and the burning equipment available.

6. (a) $38,610.00; (b) $227,250.00; (c) $91,350.00.

7. Question answered by No. 4 above.

HENRY BORDEN, Q.C.

Question No. 48—**Mr. Zaplitny:**

1. Has Mr. Henry Borden, Q.C., of Toronto, recently appointed a member of the royal commission to inquire into energy and sources of energy, been previously employed by the government of Canada since September, 1939?
2. If so, during what period, or periods, was he employed and in what capacity?

Answer by: **Right Hon. J. G. Diefenbaker (Prime Minister):**

1. Yes.

2. From September 20, 1939 until April 8, 1940, he was the counsel of the war supply board under authority of P.C. 3022 of October 5, 1939.

In the department of munitions and supply from its creation on April 9, 1940, to replace the war supply board until his resignation on November 29, 1943 he held the following appointments:

(1) as a member of the department's executive committee by virtue of P.C. 21/1800, dated May 3, 1940, as amended by P.C. 22/2568, dated June 14, 1940;

(2) as chairman of the wartime industries control board, effective October 1, 1942, under P.C. 8808 of September 30, 1942; and

(3) as acting controller of supplies, effective November 2, 1942, by reason of P.C. 9993, of November 3, 1942.

In all of the above he served without salary.

CANADA COAL LTD.—FEDERAL CONTRACTS, SEPTEMBER, 1957

Question No. 56—**Mr. Hansell:**

1. Did the government contract with the Canada Coal Ltd., of Toronto for coal during September of this year?
2. If so, what was the amount of this order, what tonnage of coal was called for, and was this coal to be secured from Canadian mines?

Answer by: **Hon. Howard C. Green (Acting Minister of Defence Production):**

1. Yes.

2. $177,190.

14,500 tons of bituminous prepared stoker coal: It was not a condition of the invitation to tender that the coal was to be secured from Canadian mines. In this case, no tenders were received which stated a Canadian mine as the source of supply.

BANKRUPTCY ACT, QUEBEC

Question No. 70—**Mr. Leduc (Verdun):**

By what gross and net revenues, per year, has the government of the province of Quebec benefited under the Bankruptcy Act, 1949 (13 Geo. VI, Chapter 7), since 1950?

Answer by: **Hon. E. D. Fulton (Minister of Justice):**

The Bankruptcy Act provides that the fees payable to officers of the bankruptcy courts shall belong to the crown in right of the province, but the lieutenant governor in council may allow the same in whole or in part to such officers. No information is available as to the distribution of these fees as between such officers and the crown in right of Quebec.

INDIAN BAND TRUST FUNDS

Question No. 74—**Mr. Howard:**

1. How much money is held in trust for each of the following Indian bands: Glen Vowell, Kispiox, Kitwancool, Moricetown, Bella Bella, Kitimaat, Oweekano, Cheslatta, Fort Babine, Old Fort, Skin Tyee, Skidegate, Gitlakdamix, Greenville (Lachkaltzap), Kincolith, Kitselas, Metlakatla, Hazelton, Kitsequkla, Kitwanga, Tsitsk, Bella Coola, Kitasoo, Burns Lake, Decker Lake, Francois Lake, Maxim Lake, Massett, Canyon City (Gwinaha), Hartley Bay, Kitkatla, Kitsumkalum, Port Simpson?
2. What was the source of the money with respect to each band?

Answer by: **Hon. E. D. Fulton (Acting Minister of Citizenship and Immigration):**

1.

Band	Capital Account	Revenue Account
Glen Vowell	$ 428.26	$ 150.70
Kispiox	3,603.06	782.21
Kitwancool	406.79	124.46
Moricetown	5,462.32	1,357.08
Bella Bella	2,093.38	1,427.06
Kitimaat	19,901.34	35,301.30
Oweekano	34,272.14	33,132.22
Cheslatta	20,688.98	5,026.55
Fort Babine	2,851.43	244.63
Old Fort	530.77	26.54
Skin Tyee's	Nil	Nil
Skidegate	66,219.08	6,272.79
Gitlakdamix	767.51	633.86
Greenville (Lachkaltzap)	16.50	29.12
Kincolith	2,750.23	1,509.36
Kitselas	67,385.45	10,303.84
Metlakatla	18,396.08	3,153.79
Hazelton	2,011.86	427.12
Kitsegukla	1,312.97	766.41
Kitwanga	1,294.70	767.47
Tsitsk	44.60	4.98
Bella Coola	62,755.93	4,151.59
Kitasoo	20,803.70	4,074.59
Burns Lake	12,186.60	4,259.65
Decker Lake	Nil	Nil
Francois Lake	295.59	104.41
Maxim Lake	736.62	512.04
Masset	560.23	909.23
Canyon City (Gwinaha)	Nil	Nil
Hartley Bay	4.08	1.93
Kitkatla	1,682.06	744.56
Kitsumkalum	110,295.06	16,218.74
Port Simpson	2,035.07	1,375.20

2. The funds in the capital account are derived mainly from the sale of land, timber and gravel. In the revenue account, the main sources of funds are rentals and interest on capital account funds.

Both capital and revenue accounts receive a certain amount of funds from other bands on transfer of individual Indians.

ARMOURY SITE, SUDBURY, ONT.

Question No. 85—**Mr. Mitchell:**

1. Has land been acquired in the city of Sudbury for a new armoury?
2. If so, on what basis, and from whom?
3. Have steps been taken to erect this armoury?
4. What is the present situation with respect to building of same?

Answer by: **Hon. G. R. Pearkes (Minister of National Defence):**

1. Yes.

2. Title to a property comprising approximately 5.6 acres was transferred to the crown in right of Canada on 25 January, 1956, for a nominal consideration of $1 by Mr. Saul Silverman as a site for a future armoury.

3. No.

4. A decision as to the construction of an armoury has not yet been reached.

MIRAMICHI OYSTERS—ELIMINATION OF DISEASE

Question No. 96—**Mr. McWilliam:**

1. What steps have been taken towards eliminating the disease prevalent among Miramichi oysters on public and private beds?
2. What steps have been taken to re-stock disease-free oysters on public and private beds in the Miramichi estuary?
3. When is it expected that disease-free oyster fishing on the Miramichi will be returned to normal?

Answer by: **Hon. J. A. MacLean (Minister of Fisheries):**

1. Immediately on the occurrence of oyster mortalities in the Miramichi area, the Department of Fisheries instituted a complete system of observation and checking. The data gathered and examination of dead and dying oysters indicated strongly that the disease was similar to that which decimated the Prince Edward Island stocks in the 1920's. On this basis transfers of Prince Edward Island oysters resistant to the previous disease were made to two experimental areas—500 barrels to the Wallace-Malagash area in Nova Scotia and 1,000 barrels to the Shippegan area in New Brunswick—to test their resistance to the new disease.

2. If mortalities from the 1957 experimental transfers are normal in the spring of 1958, it is proposed to carry out a similar test transplantation immediately in the Miramichi area. This will certainly include a portion of the public beds, and also the private leases if agreement is obtained from the government of New Brunswick which is responsible for oyster leasing in the particular district.

3. If the transfer of disease resistant oysters is successful, the oyster fishery in New Brunswick could return to normal in five to eight years. If the fishery must rebuild from local groups of resistant resident stocks, the recovery period could occupy from a minimum of twice the above time to much longer depending on the size and distribution of the stocks which survive the disease.

HOUSE OF COMMONS

Monday, November 4, 1957

The house met at 2.30 p.m.

DOMINION-PROVINCIAL CONFERENCE

TABLING OF FURTHER CORRESPONDENCE WITH PROVINCIAL GOVERNMENTS

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, on October 30 I tabled the correspondence with the provinces concerning the forthcoming conference. With the leave of the house I should now like to table a copy of a letter I addressed on October 31 to all the premiers on this subject.

Mr. Speaker: Has the Prime Minister leave to table this document?

Hon. George C. Marler (St. Antoine-Westmount): May I suggest that the same practice be followed as with the other letters, and that it be printed as an appendix to *Hansard*?

Mr. Diefenbaker: Yes, with the leave of the house.

Mr. Speaker: Is the house agreeable that this document be printed as an appendix to today's *Hansard*?

Some hon. Members: Agreed.

(For text of correspondence referred to above, see appendix, page 753.)

SENATE AND HOUSE OF COMMONS ACT

AMENDMENT RESPECTING ATTENDANCE OF MEMBERS

Mr. W. M. Johnson (Kindersley) moved for leave to introduce Bill No. 22, to amend the Senate and House of Commons Act.

Motion agreed to and bill read the first time.

CANADIAN NATIONAL RAILWAYS

CONSTRUCTION AND PURCHASE OF BRANCH LINES IN MANITOBA

Hon. George H. Hees (Minister of Transport) 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 authorize and to provide for the construction by Canadian National Railway Company of a line of railway from Optic lake to Chisel lake in the province of Manitoba, being approximately 52 miles, at a total estimated expenditure of $8,840,000, not to be exceeded by more than 15 per cent; and also to authorize the purchase from the International Nickel Company of Canada, Limited, by the said railway company, of a line of railway from a point on the Hudson Bay Railway line at or near Sipiwesk to a point on the Burntwood river at or near Mystery lake in the province of Manitoba, a distance of 30 miles, more or less, at a price not exceeding $5,400,000; to authorize the issue by the said railway company of securities that may be guaranteed by Her Majesty in right of Canada to finance the construction and purchase of the said lines; and, in order that the said railway company may forthwith proceed with construction and the purchase of the said lines of railway, to authorize temporary loans to the said railway company out of the consolidated revenue fund upon terms and conditions prescribed by the governor in council and secured by securities of the said railway company.

Motion agreed to.

MOTIONS FOR PAPERS

P.F.A.A. INSPECTORS, THE BATTLEFORDS, SASK.

Motion No. 11—**Mr. Campbell (The Battlefords):**

For a return showing the names of (a) all persons appointed as P.F.A.A. inspectors, since September 1, 1947; (b) all former P.F.A.A. inspectors re-employed since September 1, 1947, in the constituency of The Battlefords.

Mr. Coldwell: Mr. Speaker, the hon. member for The Battlefords is attending the United Nations and I feel confident there is a typographical error in the date. I should like this motion to stand until I can get in touch with him. I believe I am in a position now to amend the date. It should be 1957 where 1947 appears.

Mr. Speaker: It should be 1957 in both places? Is it the pleasure of the house to permit this amendment of the motion?

Some hon. Members: Agreed.

Mr. Speaker: Is the motion to stand?

Mr. Coldwell: If the house agrees to the amendment I think the motion can be moved.

Mr. Charlton: In view of the absence of the Minister of Agriculture I would ask the hon. member if he would allow this motion to stand.

Motion stands.

CHARLOTTE COUNTY, N.B.—DISMISSAL OF BREAKWATER FOREMAN

Motion No. 12—**Mr. Stuart (Charlotte):**

For a copy of all correspondence exchanged between the Minister of Public Works and any

person or persons, recommending or approving the dismissal of breakwater foreman in Charlotte county, since June 10, 1957.

Motion agreed to.

GEORGE W. FORRESTER

Motion No. 13—**Mr. Henderson:**

For a copy of all correspondence and other documents in the possession of the Department of Transport, regarding the dismissal of George W. Forrester, an employee of the department, for political partisanship.

Motion agreed to.

P.F.A.A. PERSONNEL, MACKENZIE CONSTITUENCY

Motion No. 14—**Mr. Nicholson:**

For a return showing the names and addresses of all persons residing in the Mackenzie federal constituency employed by the Prairie Farm Assistance Act division of the Department of Agriculture: (a) January 1 to June 10, 1957; (b) June 10, 1957, to date.

Mr. Coldwell: On behalf of the hon. member for Mackenzie, I would move this motion.

Mr. Charlton: For the same reason I suggested earlier, perhaps the hon. member would allow this matter to stand until the minister returns.

Motion stands.

TAYLOR, MARSHALL AND COMPANY

Motion No. 15—**Mr. Pickersgill:**

For a copy of all correspondence exchanged since June 21, 1957, between Mr. J. R. Taylor or any member of the law firm of Taylor, Marshall and Company on the one hand and the Acting Minister of Citizenship and Immigration or any official of that department on the other hand.

Hon. J. A. MacLean (Minister of Fisheries): In the absence of the minister I would ask the hon. member to allow this motion to stand.

Mr. Pickersgill: I am quite agreeable.

Motion stands.

IMMIGRATION, FAR EAST—INSTRUCTIONS

Motion No. 16—**Mr. Pickersgill:**

For a copy of all directives and instructions to the staff of the Department of Citizenship and Immigration issued since June 21, 1957, regarding the admission of immigrants or visitors from Hong Kong, China, India, Pakistan and Ceylon.

Hon. J. A. MacLean (Minister of Fisheries): In the absence of the minister I would ask the hon. member to allow this motion to stand.

Mr. Pickersgill: I am quite agreeable.

Motion stands.

[Mr. Stuart (Charlotte).]

TRADE

U.K.-COMMUNIST CHINA—EXPANSION OF EXPORTS AND IMPORTS

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): May I direct a question to the Prime Minister. In view of the Prime Minister's statement last Thursday that British recognition of the Chinese government had added little to the expansion of United Kingdom trade with China, will he examine the trade returns between those countries since the Korean war, which show a steady and significant expansion from 1951 to the end of 1956? I may say I have the official figures which I obtained from the trade commissioner's office this morning, and they show quite a significant expansion from 1952. United Kingdom exports and imports in 1952 amounted to approximately $22 million and in 1956 to approximately $65 million.

SHIPPING

ST. LAWRENCE RIVER—STATEMENT ON REQUEST FOR SEPARATE TRAFFIC LANES

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, on Friday last, on the orders of the day, the hon. member for Laurier (Mr. Chevrier) asked if I had taken cognizance of a press report of a statement made by a member of the Canadian board of marine underwriters to the effect that separate traffic lanes for upbound and downbound traffic should be provided on the St. Lawrence river. The hon. member also asked if I would comment on the suggestion.

The report was brought to my attention, and the opinions I received from my departmental officials led me to believe the incidence of accidents on the St. Lawrence is not excessive in relation to those occurring in comparable waters in other parts of the world. I was rather interested to note, too, that the press report in question stated a relatively small percentage of the accidents were directly attributable to the width of the channel. The department is at present carrying out a dredging program which is aimed at widening the existing channel to 800 feet, generally speaking, and this program involves an expenditure of more than $3 million each year. It is proposed to complete this program and determine the traffic potentialities of this widened channel before planning additional channels.

STATEMENT AS TO WHARF IMPROVEMENTS ON SAGUENAY RIVER

On the orders of the day:

Hon. Howard C. Green (Minister of Public Works): On October 31 the hon. member for Charlevoix asked me whether wharf improvements on the Saguenay river are to be carried out to facilitate the proposed new ferry service to cross that river between Baie Ste. Catherine and Tadoussac. The wharf construction at Baie Ste. Catherine is already under way, and tenders have been called for the wharf improvement at Tadoussac, although no contract has as yet been let.

HEALTH INSURANCE

MANITOBA—TREATMENT OF MENTAL AND TUBERCULAR PATIENTS

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, I wish to direct a question to the Prime Minister. Has the government given a firm commitment to the province of Manitoba that tuberculosis and mental illness will be included in the federal government's share of the cost of the public hospitalization plan? If so, when was this commitment given and in what form?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, there has been no commitment, direct or indirect.

GRAIN

REGINA—LOADING INSTRUCTIONS TO C.N.R.

On the orders of the day:

Hon. George C. Marler (St. Antoine-Westmount): Mr. Speaker, I should like to direct a question to the Minister of Transport, of which I have given him notice. Is it a fact that instructions have been issued to freight officials of the Canadian National Railways in Regina to stop loading grain in 40-ton cars and that 60-ton cars only are to be used for loading grain for Vancouver?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I thank the hon. member for giving me notice of his intention to ask this question. As soon as I received that notice I immediately got in touch with the Canadian National Railways and they contacted their western representatives. They have not had a report back and I am therefore not able to answer the hon. member right now.

WHEAT—INQUIRY AS TO MONETARY INCENTIVE TO SHIP THROUGH EASTERN PORTS

On the orders of the day:

Mr. J. H. Harrison (Meadow Lake): I would like to direct a question to the Minister of Trade and Commerce. What monetary incentive in cents per bushel is being offered to purchasers of Canadian wheat for taking delivery at eastern Canadian ports rather than at Fort Churchill and Vancouver?

Hon. Gordon Churchill (Minister of Trade and Commerce): I will take this question as notice and give an answer later.

[*Later:*]

WHEAT—REQUEST FOR STATEMENT ON SALE TO INDIA

On the orders of the day:

Right Hon. J. G. Gardiner (Melville): Mr. Speaker, I note an announcement made by the Prime Minister to the press on Saturday that some arrangement has been made between Canada and India with regard to the shipment of $7 million worth of Canadian wheat to India under the Colombo plan.

I have two questions to ask. First, would the Prime Minister be able to give us any further details with regard to that arrangement and what the adjustment is in connection with the Colombo plan? Second, is it now to be the policy of the Conservative party, which forms the government, to make its announcements outside the house rather than inside?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, to answer the last question first, there was an announcement made at the meeting of the Colombo plan nations on Saturday, so there was a simultaneous announcement made here. There was no question whatever of announcing a matter of policy outside the house. Because of the announcement being made there on Saturday it was necessary to make a simultaneous one here.

As far as the general plan is concerned, I will secure for the hon. gentleman full details as to what the price will be, that is what actual value is being allowed to Canada on each bushel, and I will report in a day or so as soon as I have heard from the minister without portfolio who is the Canadian representative to the Colombo plan meeting.

NATIONAL DEFENCE

REQUEST FOR SETTING UP OF SPECIAL COMMITTEE TO STUDY FUTURE PROGRAM

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Minister of National Defence. In view of recent developments in intercontinental ballistic missiles and Sputnik No. 2, and a widespread belief that Canada's program is largely out-dated and obsolete, will the government consider

referring the whole question of Canada's future defence program to a special committee of this house for study and recommendation?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, the government will be pleased to give consideration to that proposal. However, that does not mean it will be accepted.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, may I ask a supplementary question of the Minister of National Defence. When the government is considering the suggestion made by my friend the hon. member for Assiniboia (Mr. Argue), will he look up the numerous resolutions moved by the Conservative party to set up a special committee of this house to inquire into defence matters?

Mr. Pearkes: Mr. Speaker, I am sure the whole background will be gone into.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I would like to ask a supernumerary supplementary question of the Minister of National Defence. Has the minister resolved the motion of the hidden fire that lies within his breast and decided to recommend the appointment of a committee on defence expenditure?

Mr. Pearkes: Have I decided what? Would the hon. member please repeat his question?

Mr. Herridge: I said, Mr. Speaker, has the minister resolved the motion of the hidden fire that lies within his breast and decided to recommend the appointment of a committee on defence expenditure?

Mr. Pearkes: The hidden fires in my breast—if that was the question—are only kindled by the desire to give the best kind of defence possible for Canada.

U.S.-CANADA—INQUIRY AS TO JOINT AIR DEFENCE COMMAND

On the orders of the day:

Mr. W. J. Henderson (Kingston): Mr. Speaker, may I direct a question to the Minister of National Defence. I regret that I have not given him notice of it. It is with respect to the new continental air defence command of the United States and Canada of which Air Marshal Slemon has been appointed deputy commander. My question is this. Is there an agreement between the United States and Canada as to the role of the Royal Canadian Air Force units which will come under the command of the joint headquarters?

[Mr. Argue.]

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, the point of setting up the joint headquarters was to work out the role not only of the Royal Canadian Air Force squadrons but also the squadrons of the United States air force in defence of the North American continent.

Mr. Martin (Essex East): Was there an agreement?

Mr. Henderson: My point was this. Is there an agreement?

Mr. Pearkes: Mr. Speaker, there is no formal or written agreement at the present time.

Hon. Paul Martin (Essex East): Mr. Speaker, may I address a supplementary question to the Minister of National Defence. I understood him to say in answering the member for Kingston (Mr. Henderson) that there is no agreement between Canada and the United States regarding the continental air defence command. May I ask him is there an order in council, or is there a minute of council, or is the only document that which he tabled the other day appointing Air Marshal Slemon?

Mr. Pearkes: I tabled the order in council appointing Air Marshal Slemon and the joint release which was made by the secretary of defence in the United States and myself regarding the setting up of this joint integrated command. It was considered desirable that the two commanders should get together and work out the exact details of their relations before any more formal agreement should be made defining exactly the role of the two commanders in relation to the civil power, and that note is now in the course of study.

BASE METALS

INQUIRY AS TO STOCKPILING TO ESTABLISH FLOOR PRICE

On the orders of the day:

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, I would like to direct a question to the right hon. Prime Minister. Having regard to the latest Russian threat to western security and mounting unemployment in the mining industry, would the Prime Minister give further consideration to the proposal of the mine-mill union for establishment of a floor price by stockpiling the strategic base metals, copper, lead and zinc, thus preventing almost certain closure of one of British Columbia's oldest and largest copper producing mines?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the question of stockpiling is a question for determination as between Canada and the other nations within

NATO and in particular with the United States of America. At present there is no intention to stockpile, but in the light of events as they occur no doubt further consideration will be given when and if that is necessary.

HOUSING

RESOLUTION OF NATIONAL RETAIL LUMBERMEN'S ASSOCIATION

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I would like to direct a question to the Minister of Public Works. In view of the statement of the Minister of Labour on television last evening outlining the alarming unemployment situation now prevailing in this country, is the Minister of Public Works now prepared to advise this house if Central Mortgage and Housing Corporation has reached any decision to implement the recommendations contained in the brief submitted by the national retail lumbermen's association almost two months ago?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I explained to the hon. member the other day that this brief is under consideration. At the moment we are very much interested in the plan we inaugurated a few weeks ago under which we set aside $150 million for the construction of low priced homes. That plan has been going extremely well. The last report I had, which was for the week before last, indicated that nearly $120 million had been either approved for lending, or applications for loans were under consideration. As yet there has been no decision with regard to the matter submitted in the brief to which the hon. member referred.

Mr. Robichaud: Mr. Speaker, may I ask a supplementary question. Does the minister realize that a very small proportion of that amount of $150 million is now going to the maritime provinces?

Mr. Green: Mr. Speaker, I am sure the blame for so small a portion of this money being taken up by the Atlantic provinces rests with the builders in those provinces, or other bodies. The money is there, available, and if applications for it are not made, responsibility for that rests with the people in those provinces.

Mr. C. E. Johnston (Bow River): Mr. Speaker, I would like to ask the Minister of Public Works a supplementary question in that regard. The minister intimated that $150 million had been approved for the different provinces. Can he tell us how many actual starts have been made, since this $150 million was made available, in each of the provinces?

Mr. Green: Mr. Speaker, the figures for actual starts are not available. A person applying for a loan has 90 days after the loan has been approved within which to commence building, and for that reason it is very difficult to get up to date figures with regard to starts. But I can assure the hon. member that particularly in his own province of Alberta the plan is proving very successful.

Mr. Johnston (Bow River): Only 12 starts have been made in the province of Alberta.

Mr. Colin Cameron (Nanaimo): May I ask the Minister of Public Works a supplementary question with regard to the $150 million provided for housing. Can he inform the house as to the terms of the arrangement by which the chartered banks are, I believe, acting as agents in this matter?

Mr. Green: I think that question should go down on the order paper. I am not in a position to answer it without notice. The terms are contained in the agreements.

LABOUR CONDITIONS

MONTREAL—STATEMENT ON REPORTED LAY-OFFS AT CANADIAN CAR COMPANY

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, on Friday the hon. member for St. Antoine-Westmount (Mr. Marler) referred to a press report to the effect that the Canadian Car company had started to lay off workers in its Turcotte and Dominion plants, and this lay-off was ascribed to the cancellation by the Canadian Pacific and Canadian National Railways of orders for new equipment. The hon. member asked me if I would make inquiries as to whether there was a cancellation or whether no order was placed as anticipated.

I have spoken to both railway companies, and the Canadian Pacific advise me that no orders were placed with the Canadian Car company and then cancelled, but that they have now placed an order with that company for 300 gondolas, and in addition have ordered 200 stock cars. The Canadian National advise that they did not place an order for gondolas with the Canadian Car company.

Mr. Marler: May I ask a supplementary question. Am I to infer from the minister's reply that no order was placed by the Canadian National and afterwards cancelled?

Mr. Hees: That is correct. That is what I am advised by Canadian National.

Inquiries of the Ministry

CANADIAN NATIONAL RAILWAYS—REPORTED LAY-OFFS IN LAURENTIDES DIVISION

On the orders of the day:

Mr. Georges Villeneuve (Roberval): Mr. Speaker, I wish to direct a question to the Minister of Transport. Is the minister aware of the reports that are current in my riding in regard to the Laurentides division that 35 to 40 men are to be laid off from the Canadian National Railways on next January 1 in order to change its sections from seven miles for three employees as at present to 12 miles for four employees in the future, in spite of the numerous curves and other troubles of this railway crossing a hilly country?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I wish to thank the hon. member for his courtesy in giving me notice of his intention to ask this question. It was delivered to my office just as the house opened this afternoon, so naturally I have not had a chance to look into the specific details he has mentioned. However, I think I can answer his question in answering a question put to me by the hon. member for Winnipeg North Centre (Mr. Knowles) and similar questions raised by other hon. members of this house during the past few days. I would have replied to the hon. member for Winnipeg North Centre several days ago but I have been waiting until he returned to the house.

The question asked by the hon. member for Winnipeg North Centre on October 29, as reported at page 504 of *Hansard* of that date, was in the following words:

> —is the Minister of Transport aware of the reports that are current in Winnipeg that 34 men are to be laid off from the Canadian National shops at Transcona each month between now and June, together with eight men to be laid off each month from the Fort Rouge shops? What steps is the government taking to prevent these lay-offs?

I brought the hon. member's question to the attention of the management of the Canadian National Railways, who advise that the principle must be recognized that the normal environment of the railway industry is such that the level of its working force must rise and fall under the influence of many factors. For example, in the early spring and through the period of good weather work is carried out on roadbeds, bridges, ballasting, tie renewals, re-lay of rail, construction of spurs, sidings, new branch lines, signalling facilities, buildings, and so on. In the winter months, of course, most of these activities practically come to a standstill, but there are then certain labour needs

which arise out of winter operations in the form of snow and ice clearance, flooding, and the general hazards of difficult weather conditions.

The railway must adjust also the fluctuating demands for its services in the transport of goods and people, and it is obvious that as traffic declines there will be adjustments in railway needs for employees involved. The Canadian National traffic, in common with all other railroads on this continent, is suffering a sharp decline. Canadian National Railways traffic volume is currently running at a rate 15 per cent below that of last year. When traffic declines there is a lessened demand for output of repairs to locomotives and car equipment.

The impact of technological development has a very definite effect upon employee requirements. This will be apparent in the current dieselization program, but it should be realized that it spreads into other forms of mechanization which affect the categories of employees required by the railway. In this connection the Canadian National has done its utmost to deal with necessary adjustments in a considerate manner. It is not a question only of the actual numerical demand for employees but also the fact that a need for new types of skills and experience arises while other types are no longer required. Canadian National has taken very active steps to provide training and to give opportunities to employees to acquire the skills they need to meet these new requirements.

In the face of the present traffic situation, certain adjustments are necessary. While the present forecasts show a sharp decline and thus reduce immediate work requirements, the trends are being kept under close survey so that as soon as an improvement becomes apparent steps can be taken to keep work output to the needs of traffic.

I should say also that management, sensitive to hardships caused by reductions in staff, is not being guided solely by strict economic considerations, and is making every effort to program the work so that the impact of the serious traffic decline on employee levels may be cushioned as much as possible, and every effort is being made to find alternative employment for those who may be affected. The general level of employees in the first eight months of this year for the Canadian National Railway system is down by less than 1 per cent as compared with the same period last year.

[*Later:*]

INTERNATIONAL AIRPORT, EDMONTON—DISPUTE BETWEEN TRUCKERS' UNION AND CONTRACTOR

On the orders of the day:

Mr. S. H. S. Thompson (Edmonton-Strathcona): Mr. Speaker, I should like to direct a question to the Minister of Transport, notice of which was given just a short time ago. I believe it might be more properly directed to the Minister of Public Works, but due to the fact the Minister of Transport had the privilege of being the main attraction at the opening ceremonies with regard to the construction of the airport in Edmonton I felt I should like to direct my question to him. Has the minister received a submission from the truck owners' union in Edmonton charging unfair practices by the contracting firm engaged in construction of the international airport near Edmonton? If so, does the minister intend to take immediate steps to investigate and solve amicably any misunderstanding between the union and the contractor?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I want to thank the hon. member for giving me notice of his intention to ask this question. He is quite correct that it was delivered to my office just as the house opened. The answer is that representations were received by my department, and the district director of air services at Edmonton was asked to get in touch with the union. I understand that the district director has been and still is in consultation with the union, and every endeavour will be made to do all the department can in the light of the conditions of the contract.

PIPE LINES

TRANS-CANADA PIPE LINES—CONSTRUCTION CONTRACTS EAST OF LAKEHEAD

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Has the minister any further information on the pipeline construction contracts east of the lakehead, especially in view of the week end public statement by the Canadian construction leader which complained about the ignoring of Canadian companies—

Mr. Speaker: Order. The hon. member knows he should be asking for information, not giving it. If he undertakes to add statements of that kind to his question he can expect it to be ruled out of order. If the hon. member would like to ask the first part of his question again he may do so.

Mr. Fisher: Thank you. I would like to ask the minister whether he has any more information on the pipeline construction contracts east of the lakehead.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I am not quite clear what the hon. member is asking for. If he would express himself more specifically perhaps I could help him.

Mr. Fisher: Have the contracts been awarded yet? Have any of them gone to Canadian companies?

Mr. Churchill: Mr. Speaker, I will take notice of that question and give the answer in due course.

TRANS-CANADA PIPE LINES—INQUIRY AS TO EXPLOSION IN SASKATCHEWAN

On the orders of the day:

Mr. Louis Lewry (Moose Jaw-Lake Centre): Mr. Speaker, I wish to direct a question to the Minister of Transport. Can the minister assure the house that the board of transport will make an immediate inspection and report on the latest huge explosion on the Trans-Canada pipe line in the vicinity of Moose Jaw, Saskatchewan; and can he advise what steps are being taken to make sure that the number of such disastrous explosions will be kept to a minimum?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I will draw this question to the attention of the chairman of the board of transport.

[*Later:*]

TRANS-CANADA PIPE LINES—REQUEST FOR STATEMENT ON EXPLOSIONS IN MANITOBA

On the orders of the day:

Mr. Louis Lewry (Moose Jaw-Lake Centre): I should like to address a question to the Prime Minister. Can the Prime Minister report on any results of investigations by the board of transport commissioners into Trans-Canada pipe line explosions in the province of Manitoba, as he said on October 21 would be made to the house?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I took up this matter with the board of transport commissioners with a view to ascertaining whether or not there was anything that could be done by investigation prior to the actual laying of the pipe, and as yet I have not had any information. However, I will make inquiries at once and let the hon. gentleman know, possibly the day after tomorrow.

Inquiries of the Ministry

Mr. M. J. Coldwell (Rosetown-Biggar): May I ask that at the same time the Prime Minister inquire into the reported explosion near Mortlach, Saskatchewan, which apparently was of a much more serious character than the ones in Manitoba?

Mr. Diefenbaker: Yes, I shall do that. As a matter of fact, Mr. Speaker, the previous word we had was that no investigation in advance could possibly show latent defects which would permit of explosions such as took place at Mortlach and elsewhere.

NATIONAL PARKS

INQUIRY AS TO REVISION OF LEGISLATION

On the orders of the day:

Mr. C. E. Johnston (Bow River): Mr. Speaker, may I direct a question to the Minister of Northern Affairs and National Resources. I wonder if the minister is now in a position to answer the question I asked the other day. He said he would give an answer today.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, I was absent from the house when the question was asked and my colleague and deskmate brought the matter to my attention. The question asked by the hon. member for Bow River, as reported at page 652 of *Hansard* of November 1, is as follows:

> Does the minister intend to revise the park act in order to rescind some of the impractical regulations in that act, and does he intend to review the unfair water and sewer rates levied by the department in Banff in order to give fairer treatment to the people of that town?

I wonder if the hon. member for Bow River could give me more details as to the regulations he has in mind, and tell me particularly what water and sewer rates are unfair so I will know what to inquire into?

POWER

NOVA SCOTIA-NEW BRUNSWICK—REQUEST FOR STATEMENT ON LOCATION AND COST-SHARING

On the orders of the day:

Mr. A. J. MacEachen (Inverness-Richmond): Mr. Speaker, may I direct a question to the Minister of Northern Affairs and National Resources. Is it true that the government has reached a decision on the location of new power plants in the maritime provinces and has worked out a cost-sharing arrangement with the provinces on this matter? Would the minister consider making a statement to the house on these two points?

[Mr. Diefenbaker.]

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, I would like nothing better than to make a statement at this time, but as I said in answer to a previous question of this sort we are very busy working out some of the final arrangements in connection with this matter and I expect an announcement will be made very shortly in answer to the question of the hon. member.

NOVA SCOTIA-NEW BRUNSWICK—REQUEST FOR COPY OF REPORT

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I wish to direct a question to the Minister of Northern Affairs and National Resources. As the premier of Nova Scotia saw fit to announce on Friday last that an extension to the Trenton plant had been approved and that a 50,000 kilowatt plant at Saint John, New Brunswick, had also been approved, and as this must be part of the recommendations of the Montreal Engineering report—

Some hon. Members: Order.

Mr. Robichaud: —is the minister now prepared to make this report available to the house?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, the hon. member knows that the premier of New Brunswick made no such statement.

Mr. Robichaud: I said the premier of Nova Scotia. The statement was made in Halifax on Friday last.

Mr. Nowlan: It was not. That is absolutely false.

Mr. Gauthier (Portneuf): Keep your temper. Nobody wants it.

Mr. Nowlan: All right; keep your own.

NEWFOUNDLAND—APPLICATION OF GOVERNMENT POLICY

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask the Minister of Northern Affairs and National Resources a question. Does the government's policy of assistance in the development of power apply to the province of Newfoundland and, if so, have there been any discussions of any kind with the government of that province?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, the government's policy in connection with the maritimes, as far as we are dealing with the matter this session, was announced in the speech from the throne, and that is

what we are carrying out at present. To my knowledge there has been no discussion with the premier or government of Newfoundland at this stage.

Mr. Pickersgill: In other words Newfoundland is forgotten.

An hon. Member: It was when you were in the government.

UNEMPLOYMENT ASSISTANCE

INQUIRY AS TO DISCUSSIONS WITH PROVINCE OF QUEBEC

On the orders of the day:

Mr. Georges Villeneuve (Roberval): I should like to address a question to the Minister of National Health and Welfare. What provinces have signed agreements with the federal government relative to the Unemployment Assistance Act and has the government of the province of Quebec sounded out the federal government with a view to such an agreement?

Hon. J. W. Monteith (Minister of National Health and Welfare): I should like to thank the hon. member for having given me notice of his intention to ask this question. I would point out that British Columbia, Saskatchewan, Manitoba, New Brunswick, Prince Edward Island and Newfoundland have signed agreements. There has been no correspondence or discussion with the province of Quebec since this government took office.

NATURAL RESOURCES

BRITISH COLUMBIA—IMPOSITION OF SPECIAL MINERAL TAX

On the orders of the day:

Mr. J. A. Byrne (Kootenay East): I intended to direct a question to the Minister of Justice, but in his absence I wonder if the parliamentary assistant would take the question as notice? Will the minister seek the advice of his law officers and inform the house as to whether British Columbia has a right, under subsection 2 of section 91 of the British North America Act, to impose a special tax on mineral resources, the declared effect of which is to discourage the export of iron ore from that province?

(Translation):

AIRPORTS

STATEMENT AS TO CONSTRUCTION OF AIRPORT

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I should like to answer the following question which was put to me last Friday by the hon. member for Charlevoix (Mr. Maltais).

Does the hon. minister intend to recommend to the house that the necessary steps be taken to modify the basis of subsidies granted to the different municipalities in this country which request the assistance of his department for the construction of airports?

May I ask him, as a supplementary question, whether his department has taken a decision concerning the contribution to be made to the airport of Charlevoix, in the province of Quebec?

I may say that the general policy concerning subsidies granted for the construction of airports is now under study. In reply to the second part of the question, I should like to point out that it is proposed to seek approval for the inclusion, in next year's estimates, of an additional subsidy to help construction works at La Malbaie airport.

(Text):

TELEVISION

MARITIME PROVINCES—STATEMENT AS TO COVERAGE IN FRENCH

On the orders of the day:

Hon. G. C. Nowlan (Minister of National Revenue): On Thursday last the hon. member for Kent (N.B.) asked me what progress was being made by the C.B.C. in providing television coverage in the French language in the maritimes. The Canadian Broadcasting Corporation advises me that under present policies, if private stations wishing to carry French language programs to areas in the maritime provinces were licensed, the C.B.C. would provide French language national network service to them, but no such stations have yet been established.

INCOME TAX

QUEBEC—STATEMENT ON TAXATION OF CONSORTS

On the orders of the day:

Hon. G. C. Nowlan (Minister of National Revenue): On October 25, Mr. Speaker, the hon. member for St. Lawrence-St. George asked me a question with respect to a recent decision of the income tax appeal board involving community of property in the province of Quebec. I am advised that the law officers of the Department of National Revenue have been in consultation with the officers of the Department of Justice, and as a result of such consultation an appeal from that decision is now being taken.

Disabled Persons Act

DISABLED PERSONS ACT

AMENDMENTS RESPECTING ALLOWANCE AND ALLOWABLE INCOME

The house resumed, from Friday, November 1, consideration in committee of the following resolution—Mr. Monteith—Mr. Courtemanche in the chair:

That it is expedient to introduce a measure to amend the Disabled Persons Act to increase to fifty-five dollars per month the maximum amount of allowance in respect of which payments may be made to the provinces under the provisions of that act, to provide, subject to regulations, for payments in respect of certain additional persons who are patients in institutions, and to increase the total amount of allowable income, inclusive of allowance, by one hundred and twenty dollars a year in the case of an unmarried person and two hundred and forty dollars a year in the case of a married person.

Mr. Shaw: When the hour of five o'clock arrived on Friday and Your Honour asked if the resolution carried, I suggested that I had one or two observations to make and therefore did not desire it to carry at that time. Let me emphasize that my action did not in any sense result from a desire to hold up action with respect to the resolution.

The resolution itself, Mr. Chairman, makes provision for three things. It goes without saying that since a good many of us in this house have pressed for these very things over the years, we do intend to support them. Ever since the Disabled Persons Act became law of course we tried to impress upon the previous government that the allowance provided was inadequate, particularly in the light of the constant increase in the cost of living. The provision of $55 a month now brings the allowance in line with the allowance under the Old Age Security Act, the Old Age Assistance Act and the proposed change in the Blind Persons Act. This is as it should be, even though I would once more emphasize that we feel that the sum of $55 could be increased still further.

We are pleased, Mr. Chairman, to find that certain disabled persons previously precluded from benefits under this act are now to enjoy certain of these benefits. I make specific reference, of course, to disabled persons who are inmates of infirmaries, homes for the aged, as well as inmates of institutions for the care of incurables. It could never be understood why those persons should have been more or less singled out and why they should have had a complete ban placed upon them so far as this act is concerned. We are therefore very pleased to find that the government has at least gone this far.

In making a statement to the house the other day the minister did refer to the inmates of two other types of institutions, those in tuberculosis sanatoria and in mental institutions. I do not intend to debate these two specific subjects at this time. The minister did say that if help is to be given to the provinces then probably it should be done in another way. All I am going to say at this time is that I hope the federal government is giving serious consideration to granting further assistance to the provinces to enable them to meet these great burdens which they have to meet, namely that of providing adequate care and treatment for the inmates of mental institutions and tuberculosis sanatoria.

This measure also provides that the ceiling on allowable income, including pensions, shall be raised as was the case with the other pieces of legislation to which we have given consideration up to this point. Those things I have mentioned as being the changes in this proposed legislation are good. I have no hesitation in saying that. However, I am still troubled about one or two other things. Before going directly to those things may I just refer for a moment to one or two things stated by the former minister of national health and welfare when speaking on Friday.

The hon. member for Essex East referred to the election of 1953 and he said something like this. He said there had been no real public discussion of disabled persons pensions during that election, and in fact he left the impression that actually, even after the election of 1953, little thought or consideration was being given by the public to this question of our disabled citizens. Of course, the former minister is sometimes given to, shall I say in all kindness, modest exaggeration. This was at least modest exaggeration, because both inside and outside of this house prior to 1953 this subject was being keenly and actively debated.

I think that fact arose in part from two things. The Ontario government was the first provincial government in Canada to introduce legislation according certain benefits to our disabled citizens. Alberta followed reasonably closely on the heels of Ontario. Until 1953 I believe those were the only two provinces in Canada with legislation that provided benefits to our disabled citizens. I do not know, of course, as to the fact but I rather fancy it would be quite fair to say that when the legislation came down here, it came down substantially as a consequence of public pressure and—this is point No. 2—the realization that Conservative Ontario and Social Credit Alberta were maybe getting too much credit from the citizens of this country and maybe it was necessary to do something about that matter. But regardless of the cause, we were happy to see that legislation brought into the House of Commons.

On Friday the former minister of national health and welfare said those restrictive

regulations respecting eligibility for disabled pensions resulted from insistence on the part of at least one province that they be left as rigid as they turned out to be. He said "the province" and I can only take it, of course, that he meant Ontario. In my own province of Alberta this is what we discovered when the federal legislation became operative. It had the effect of excluding 50 per cent of those in the province of Alberta who had been qualifying for disabled persons pensions under our provincial legislation.

The consequence of that rigid test of eligibility is this. My province of Alberta has been forced to carry two disabled persons acts, let us say, on its shoulders. They are partners under the federal act and they pay their full share of the cost. In addition they are maintaining the act which they had prior to the passage in this house of the disabled persons legislation. Under it they are not only carrying those who qualified prior to the date of this legislation, but they are maintaining it as an instrument under which many of our citizens in Alberta who cannot qualify under the federal act will not be barred from pensions resulting from disability.

I think serious consideration should be given right now to modifying the regulations, or at the least the interpretation of the regulations, under which we ascertain whether or not a person is disabled. I have seen some rather tragic cases. One of the most tragic I have witnessed is this. Here is a person who, on the basis of the best possible medical advice, is totally disabled at the present moment and may be so disabled for three or four years. Under a strict interpretation of the regulations—and they are being interpreted in this way by many provinces—such persons are not permitted to qualify for disabled pensions because they cannot meet the requirements of the word "permanent". In the case to which I refer, which was nothing but illustrative, there was reason to believe that person might become fit again in a matter of three or four years. But during that period when persons could not qualify for benefits, because of their inability to work and because of the extremely heavy costs which were involved they found themselves completely crippled financially.

I proceed now to point No. 2. I ran into a case like this only within the last six weeks. Here is a case where I presume most doctors would say to themselves "hopeless". However, the patient may live for a matter of two or three years. The doctors do not like to admit that it is hopeless—and I do not blame them and I am not criticizing them for that—and they do not care to fill out a medical statement that the patient's condition is permanent because of the disastrous effect that might have upon the patient. I refer specifically to certain cancer cases. I think the Minister of National Health and Welfare might give some rather serious consideration to that particular aspect of this matter.

I looked through *Hansard* covering the sittings of last year, and I found that in answer to questions the former minister repeatedly asserted that a new definition, if we may put it that way, had been placed before the provinces. However, I could not find in *Hansard* any reference—at least by the time the House of Commons was dissolved last spring—which would lead me to believe that the ten provinces had signified agreement.

Mr. Martin (Essex East): I dealt with that matter in my comments on Friday.

Mr. Shaw: I shall come to that matter. What I say is that upon examination of *Hansard* for last session I could not find anything to indicate that the ten provinces had signified agreement. However, I noted that the former minister, the hon. member for Essex East, on Friday, as reported at page 685 of *Hansard*, stated as follows:

> I understand that the definition of disability as liberalized, as modified in the spring, has now been accepted by all of the provinces and possibly when we reach discussion of the bill the minister will give us further particulars on that score.

I hope that all the provinces have agreed upon a more liberalized definition. I also trust that when the bill is before the house for consideration the minister will indicate our current position with respect to that matter. I know, of course, that it would not be possible for the federal Minister of National Health and Welfare probably to hit upon an interpretation, let us say, of that eligibility section and impose it upon the provinces. I realize full well that they have a right to a say, inasmuch as they pay part of the cost, and that certainly agreement should be reached among them before it is done. However, I make this suggestion, and in saying this I am talking to the provinces as much as to the Minister of National Health and Welfare. I hope they have finally reached the stage where they are prepared to eliminate, once and for all, the unfairness which exists under that particular section or aspect of our disability pensions act.

I listened on Friday while the hon. member for Selkirk (Mr. Bryce) was speaking. I have no criticism to offer with regard to what he said. In fact my eyes popped open and so did my ears when he referred to the fact that certain persons in his province who are presently in receipt of pensions had started to work or had tried to go to work and the pension was discontinued. Then, of course, when they found they could not carry on they tried to get the pension back. Well, there are some provinces in this country

where if the applicant or pensioner shows any sign whatsoever of being able to work, then his pension is discontinued, even though he may never endeavour to go out to work. In Manitoba the interpretation of the eligibility section is probably much less severe than in certain other parts of the country because, as I say, I know full well that persons like that could not even qualify in certain sections of the country.

I do not desire to take up any more of the time of the house now, although I feel very keenly about the matters I have raised, and particularly as I emphasized previously about this definition of disablement. I trust we may have a correction there before too long.

Mr. Carter: Mr. Chairman, most of the comments which I intended to make were covered by the hon. member for Selkirk on Friday last, and I do not wish to delay this house by repeating what he said at that time. The cost of this legislation is borne partly by the federal government and partly by the provincial government and it is our duty, as members of this parliament, to do everything in our powers to see that every one, as far as we can manage it, is treated in the same way and with the same degree of fairness. I therefore wish to support the pleas of all hon. members of this house who have asked for a relaxing of the regulations and for more uniformity in the administration of this legislation.

The hon. member for Selkirk put his finger on one of the weak points of this legislation when he pointed out that although this law is enacted by the federal parliament it is administered by the provincial governments. The same thing applies, of course, to some of the other social welfare legislation. I do not think any law has raised hopes higher and dashed them lower than the bill relating to the resolution now under consideration. The main act is called the Disabled Persons Act. Its very title raises the hopes of thousands of disabled people who will never be able to benefit under this act as it is now administered.

What is a disabled person? I think the ordinary person regards himself as disabled when his physical condition prevents him from earning a living or having any earning power whatsoever. However, according to the regulations under this bill a person can hardly qualify if he is able to move. I have many constituents in my riding who in my opinion should be able to benefit from this legislation, but their applications have never been successful. I have seen patients with very serious heart conditions who have been given the very best medical advice that they are not able to work and should not try to work, but their applications have been unsuccessful. I know of persons who are suffering from paralytic strokes. Some of them cannot dress themselves or even feed themselves without assistance, yet these people are unable to qualify under this act as it is now administered in my province. The same applies to people suffering from hypertension, severe blood pressure and other ailments. The definition of disability seems to include a concept of totality and permanence. A person has to be totally disabled and he has to be permanently disabled before he can qualify.

Now, how can we tell whether a person is going to be permanently disabled? The fact that he is deprived of his earning power for a year is enough to put him in a very embarrassing situation even if he does manage to exist on charity for several more years.

The eligibility of an applicant, as I understand it, is decided by a board who have no personal knowledge whatsoever of the patient, yet in some cases the recommendation of the family doctor or the visiting doctor is disregarded. I think we must endeavour to overcome these difficulties to make sure that no matter in what part of Canada a person lives he should come under exactly the same regulations and definitions. The same machinery should be employed to ensure that the same interpretation of the regulations will be applied to each case.

I was interested in the figures which the minister quoted on Friday as to the increased number of people per year who might qualify under this act. I think he mentioned that the expected increase would be around 7,000 persons annually. I find it difficult to understand why the increase would be constant when the population is always expanding. I would expect that if the increase in the first year were 7,000, in the next year it might be 7,200 and in the following year 7,500 and so on in some form of arithmetical progression. I rather suspect that this constant figure arises from the fact that this bill is administered by the provinces and is therefore in some way related to the provincial budget. The province can only afford to budget a certain amount for the benefits of this act; consequently they tend every year to restrict the provincial beneficiaries to their budget allotment.

I would like the minister when he replies to give any information he may have on this matter. The minister stated on Friday that he has not yet had any time to examine the regulations in order to determine whether they need any modification to bring them in line with what is fair and equitable. I urge him now to try in every possible way to bring about as quickly as possible a conference on this matter between the provincial departments with a view to taking whatever steps

are necessary to relax these regulations, which restrict the benefits of the bill to such a small number of people that it almost defeats the purpose and intention of the legislation itself.

Mr. Winch: Mr. Chairman, I cannot add a great deal to what has already been said on certain aspects of the resolution before us, but I do want to add my word to the views which have been expressed in this debate. I can remember that when this matter was first introduced, and again when it was brought up last year, I told the then minister of national health and welfare that the regulations were such that it was very difficult to bring a disabled person within the scope of the act. That situation has not changed. Whether under the Liberals or under the Conservatives the act still remains in such a form that it is most difficult to find a complete definition and interpretation of a disabled person.

As far as I am concerned, in my own riding and in my own province I have found it impossible to bring a person under the provisions of this act unless he is completely immobile. It has been my experience that if a person has the power to dress himself or crawl to the toilet he is not considered as disabled under this act. That has been my experience in my own riding and in all cases which have been brought to my attention in British Columbia.

Before I came down to attend this house I learned of a man living two blocks from my own home who had suffered a back injury with the result that he could not stand. He had also lost a leg, and that I know as a fact because he was in hospital two years ago, at the same time I was. As I say, he cannot stand because of his back injury, and he has lost a leg. He can move—into a wheelchair—but under the act—and this I know because I took the matter up personally—he is not eligible to benefit from this pension scheme because he is able to move.

Every day he has to go out to try and sell artificial flowers and leather goods in order to live. I say again, as I said last year and the year before, that something is definitely wrong with the regulations at present laid down defining whether or not a man is eligible as a disabled person. I have heard the Minister of National Health and Welfare speaking in the last few weeks about the regulations being a matter for both the federal and provincial authorities. The administration is a provincial responsibility, it is true, but the regulations are decided upon jointly by both the provincial and the federal authorities. The federal government pays the greater part of the cost of these benefits, and I believe, therefore, the federal government has the right to say something about the interpretation which should be placed on the regulations and the spirit in which they should be applied. I know I am repeating myself, but I say, that the interpretation and the administration of the regulations regarding disabled persons pensions combine to form one of the most dirty and vicious things in the administration of Canada. That is according to my own knowledge of what occurs in British Columbia.

Unfortunately to a great extent this is because of the medical board, which has a great deal of authority in making recommendations and whose members are apparently more interested in drawing money than they are in discovering and investigating the situation of persons applying for relief under the act. That is my impression as far as I know the situation in British Columbia. Surely, Mr. Chairman, the spirit and intent of the Disabled Persons Act is not that a man has to be completely crippled and unable to move before he can receive any benefit? Surely the intention is that if a man can do something for himself—if he cannot earn a living but is going to try, nevertheless—he should be entitled to receive assistance? But that is not the attitude as I have known it so far.

Thus while supporting the increase being made in the allowance I should like to ask the minister, not that he pass the buck to the provincial authorities who have the responsibility of administration but that he should recognize that it is by a joint arrangement between the provincial and the federal authorities that these regulations and interpretations are decided upon. I ask him to consider that there may be a more humanitarian approach to this subject of disabled persons than the one prevailling now, and I ask also that he should authorize a review of the cases which have been raised during the past year. I am convinced, by reference to those cases that I know, that a great many applicants have been refused the benefit which it was intended by this parliament, one year and two years ago, that they should receive. They have been denied that right because of the present interpretation which decides whether or not a person is disabled. Surely there are other definitions of a disabled person than one based on his ability to move. A person who is crippled but who tries to help himself should also be capable of coming within this category.

I ask the minister to bear this in mind and, if he wishes, I will be glad to give him particulars of a number of cases.

(Translation):

Mr. Poulin: Mr. Chairman, I would like to say a few words in support of the resolution now being considered, which will mean a welcome improvement in the allowances paid to disabled persons. I sincerely congratulate the government for submitting a resolution such as this, just as I commended the former government and, especially the hon. minister of national health and welfare at that time for introducing such excellent legislation with regard to the disabled.

Mr. Martin (Essex East): Thank you.

Mr. Poulin: I have not, like the hon. members of the larger groups in this house, the advantage to have gone from one side to the other, following the last elections on June 10 of this year. On the other hand, it may therefore be easier for me to keep the position I took in the past on various projects submitted to this house including the Disabled Persons Act which the present resolution seeks to amend in a commendable way. I believe it is fair to raise the amount of the disabled persons allowance by $9 a month, and better still, perhaps to raise the income ceiling for eligibility, because this will increase the number of beneficiaries.

However, I deplore that the age limit has not been reduced from 18 to 16 years. I made a request to this effect on two or three occasions in the past, and I repeat it to-day, in order to point out more particularly the serious drawback which does not allow any indigent disabled person to receive an allowance between the ages of 16 when he ceases to receive the family allowance, and 18, when he begins to receive the assistance to the disabled.

This is a condition which should be corrected. Indeed, how are disabled persons deprived of income going to live between the ages of 16 and 18 if they are from poor families accustomed to receiving at least the small monthly amount of $8 for their upkeep and who suddenly will receive no assistance whatsoever, at a time when the cost of their care is substantially increasing?

I want also to point out, without taking up too much time—as I have done in preceding years—that in certain cases of serious illness or disability at birth or in the months or years just following birth, the disability pension should apply from that date. In a certain number of instances—and this is according to my humble medical experience—the financial assistance which such benefit would give might enable parents to have medical care for their children, who would become normal beings, or, at least be able to look after their own needs in later life.

What considerable advantage this would be from the purely humanitarian and social point of view, with which the financial angle can never compete.

Finally, in my humble opinion, this resolution should have announced a new rewording of the definition of disability. It is all very well and good to say that all the provinces were in agreement with the federal government in this connection. I know, however, and all the hon. members probably know also, that there are still, at least in the constituency of Beauce, which is of particular interest to me, many poor people who are unable to earn their living or that of their family, due to illness or disability and who cannot get such pension.

I can only repeat here what I have already explained more fully—and these will be my closing remarks—that the physical or mental possibility or impossibility of earning one's living, in the case of poor people, should be the yardstick for the granting of a pension.

(Text):

Mr. Ellis: Mr. Chairman, I have one or two comments I should like to make at this time. I note in the resolution that apart from the increase in the amount of money available the objections to the act which were expressed in previous years have not been met. I refer specifically to the matter brought to the attention of the minister by several hon. members who have spoken on the resolution, that is the restrictive regulations governing eligibility under the act. I would have hoped the government would have seen fit at this time to make the necessary changes. We had every right to expect changes would be made because when the minister and his colleagues were sitting in opposition they had some extremely uncomplimentary things to say about the act.

One of my good friends who sat very close to me on this side of the house during the last parliament summed it up very neatly on January 16, 1956 when he spoke on the address in reply to the speech from the throne. At that time the hon. member for Restigouche-Madawaska expressed his attitude toward the

Disabled Persons Act, as reported at page 174 of *Hansard* of that date, in these words:

—entitlement is realized only to the totally and permanently disabled. In other words, you have to be unconscious to get it, unconscious to keep it, and unless you walk about toting a coffin under your arm, you cannot draw that pension.

That is what a prominent Conservative had to say about this legislation just a little over a year ago and equally caustic comments were made by other hon. members of that party when they sat in opposition. The hon. member for Restigouche-Madawaska went on to say:

If that pension plan is supposed to help the disabled, should not the government recognize that the pension should be paid to anyone unable through illness to earn a living at his ordinary trade or occupation? You may say that, to a certain extent, it comes under provincial jurisdiction but every government and every Canadian knows that the Liberal government has the upper hand when it comes to administration and regulations regarding disability pensions.

That was the point of view put forward in the 1956 session by this member of the Conservative party.

I am sure every hon. member of this house has received a number of letters from constituents complaining about the regulations under this act. The reason I rose to my feet this afternoon is because I received this morning a pathetic letter from a constituent of mine who has been the breadwinner in her family for a number of years due to the disability of her husband. She was anxiously looking forward to some change in the regulations which would at long last permit her husband to draw a pension under the terms of this act but, as has already been noted, the government has not seen fit to propose the necessary changes. There is still time for this to be done and I would simply like to join with my colleague, the hon. member for Vancouver East, in urging the minister to give very serious consideration at this session to bringing about changes in the regulations in order to enable many thousands of Canadians who are disabled and who, as the hon. member for Restigouche-Madawaska pointed out on a former occasion, have every right to receive some assistance under this act.

Mr. Martin (Essex East): That was done.

Resolution reported and concurred in.

Mr. Monteith thereupon moved for leave to introduce Bill No. 23, to amend the Disabled Persons Act.

Motion agreed to and bill read the first time.

OLD AGE SECURITY ACT

AMENDMENTS RESPECTING ALLOWANCE AND RESIDENCE QUALIFICATIONS

Hon. J. W. Monteith (Minister of National Health and Welfare) moved the second reading of Bill No. 19, to amend the Old Age Security Act.

Mr. Marler: Is the minister going to make a statement?

Mr. Monteith: Yes.

Mr. Winch: Mr. Speaker, I understood we were going on with the veterans' affairs resolution before second reading of this bill; is that correct?

Mr. Monteith: Mr. Speaker, this order of business was announced on Friday evening. We have had a lengthy and, on the whole, a very constructive discussion of the resolution preceding the introduction of this old age security bill. In that debate nearly everything was said that needs to be said in explanation of the purpose of the bill.

The amendments proposed are simple and clear-cut and require little explanation. It is proposed to raise the amount of the old age security benefit from $46 to $55 monthly and to reduce the residence requirement from 20 to 10 years.

I have already given in my earlier statement to the committee an estimate of the annual cost involved in putting these changes into effect—$92 million annually for the $9 increase from $46 to $55 and $3.5 million for the reduction in the residence requirement from 20 to 10 years. This last mentioned amendment is expected to result in the first twelve months in the admission of some 5,000 persons to our pension rolls who are not eligible at the present time.

In addition to these two important changes, we propose to amend the act so as to permit pensioners to absent themselves from Canada for as long as six months in any calendar year without loss of benefit. The purpose of this is to grant to pensioners a greater freedom of movement than is accorded to them under existing legislation. The estimated cost of this amendment cannot be established very accurately but will certainly not be very great. It may perhaps amount to as much as half a million dollars annually. It is proposed that the three amendments be effective as of November 1, 1957.

I might point out that beginning with the cheques which went out for the month of October we have adopted a new administrative procedure which will advance the monthly mailing date by two days and result in old age security beneficiaries receiving their cheques without fail before the end of the month.

I have listened attentively to all that has been said in the course of the debate on the resolution preceding the bill and, with one possible exception, the hon. member for Quebec-Montmorency (Mr. LaCroix), who

made it clear that he was opposed to the reduction from 20 to 10 years in the residence period, everyone else in the house seemed to be ready, in fact, eager to vote for the government's proposals.

So far as the remarks of the former minister are concerned I should like first of all to thank him for announcing that he and his party will support this legislation. I thank him also for his friendly reference to myself. I must confess that I was a little disappointed in the length of time he devoted to events of the distant past, events, I suppose, which everyone but the hon. member has pretty well forgotten after 30 years of more important happenings.

My hon. friend made reference to the proposed reduction in the residence requirement from 20 to 10 years. I believe he agrees with this proposal. It is true that the 1950 parliamentary committee recommended a 20-year residence period for old age security and consideration of 15 years for old age assistance. It is equally true that in 1950 some of the provinces expressed reluctance to accept a lower residence requirement for old age assistance than for old age security, but the government is not proposing a lower requirement for old age assistance than for old age security. It is proposing a uniform reduction for each from 20 to 10 years.

My hon. friend made reference to adjustments necessitated by the rising costs of living. The present adjustment in the old age benefit level is itself an adjustment to meet the rising cost of living. There is no doubt whatsoever in my mind that if the cost of living continues to spiral in the future as it has in the past further adjustments will be necessary. This has been the experience with benefit levels ever since 1927. That is precisely why I said in my opening statement that we did not consider that there was anything final or sacred about the amount of $55 that is now proposed.

I do not suggest, Mr. Speaker, that we have succeeded completely in pleasing everybody. Many members have suggested that in certain respects we have not gone far enough and others that we have gone too far. The official opposition seems to speak with divided voices on this question. For example, the hon. member for Quebec-Montmorency, as I have already pointed out, is opposed to the reduction in the residence requirement from 20 to 10 years. His colleague, the hon. member for Bonavista-Twillingate (Mr. Pickersgill), thinks it should be reduced to five, while the last-mentioned member's former cabinet colleague, the hon. member for Coast-Capilano (Mr. Sinclair), considers that 10 years is just about right and that if we were to lower the residence requirement to five years, as suggested by the hon. member for Bonavista-Twillingate, we would encourage an influx of aged persons from other lands to Canada.

While I do not share entirely the fears expressed on this point by the hon. member for Coast-Capilano, I agree with him that a 10 year residence provision seems to be a wise and sound requirement in all the present circumstances. This represents, I believe, a reasonable middle of the road position between two extremes. We have felt that a 20-year residence requirement was a reactionary and unfair provision. Equally, in my opinion, a residence period of only five years would be premature and unwise at this time, while it would be nothing else than rash and risky, even irresponsible, to suggest, as I understand the hon. member for Fraser Valley (Mr. Patterson) did the other night, that we should eventually dispense with a residence period altogether.

I have noted also, Mr. Speaker, a number of suggestions from different quarters of the house, chiefly from C.C.F. and Social Credit members, that we should abolish altogether the restrictions on the length of temporary absences from Canada. The member for Fraser Valley wants us to pay an old age security benefit to pensioners in any country of the world. In this way, he says, our senior citizens will become ambassadors of good will for Canada. The hon. member for Vancouver East (Mr. Winch) demanded that I have the decency to tell the house why we did not intend to abolish the provision limiting the length of absences from Canada.

Our thinking with respect to this question of absences from Canada is very much the same as on the score of residence. We seek a prudent, middle course. We consider the present provisions much too restrictive. On the other hand, we do not consider that we have a proven case for a complete abolition of the requirement that pensioners, to be eligible, must continue to live at least a portion of the time in Canada. This is tied up with a number of questions such as, for example, the extent to which our present system is, in fact, a contributory one or, instead, based on general or even earmarked taxation. In my opinion our system is neither completely contributory nor completely non-contributory, and for this reason I believe we should move carefully and slowly in this matter until we know exactly what the consequences will be.

In addition to this I should point out that the demands of those who argue that we should continue payments to pensioners living outside of Canada run counter to the

demands that we further reduce the residence requirement. Is it seriously suggested that we should reduce the residence requirement to 10 and then perhaps to five and then why not to four, three, two or one years? There is no particular reason for stopping at five. Is it also suggested that we should at the present time agree that once a pension is awarded it carry a life entitlement, no matter where the pensioner goes to live? Surely these two proposals, when carried to their logical extremes, cancel each other out and become sheer irresponsibility. We could reach a ridiculous situation where a person could move to Canada at 69 and leave at 70 carrying with him a pension for life paid for by the Canadian taxpayers.

We cannot, in my opinion, go too far in either of these directions without jeopardizing the soundness of the scheme. That is why we propose to follow the prudent middle course, which is what the people of this nation would expect of our administration.

Last Friday, Mr. Speaker, in replying to some questions put by the hon. member for St. Antoine-Westmount (Mr. Marler), I stated that the increase in old age security benefit now proposed is in our judgment not only a fair and reasonable increase but it also keeps pace with the rise in the cost of living and in national productivity that has occurred since the commencement of old age security. The hon. member for Port Arthur (Mr. Fisher) suggested that I might table statistical data bearing on this point. I am glad to do so at this time. With the permission of the house, I should like to place on *Hansard* two tables, as follows: One, a tabulation showing changes in the consumer price index since 1927, changes in the maximum amount of pension payable since 1927; and changes in the purchasing power value of the pension payable each year since 1927, all based on 1949 as equal to 100; two, a tabulation showing the total amount paid out in old age pensions each year since 1927 in relation to the gross national product each year. Have I permission, Mr. Speaker?

Mr. Martin (Essex East): Has my hon. friend some extra copies of these tables?

Mr. Deputy Speaker: Has the minister permission to place these tables on *Hansard*?

Some hon. Members: Agreed.

(The tables are as follows:)

TABLE I

CONSUMERS' PRICE INDEX AND VALUE OF MAXIMUM PENSION PAYABLE, CURRENT DOLLARS AND 1949 DOLLARS, BY YEAR, 1927 TO 1957

Date	Consumer Price Index [a] (1949=100)	Maximum Pension Payable	
		Current Dollars	1949 Dollars
		$	$
1927	74.6	240	321.72
1928	75.0	240	320.00
1929	75.8	240	316.62
1930	75.3	240	318.73
1931	67.9	240	353.46
1932	61.7	240	388.98
1933	58.8	240	408.16
1934	59.6	240	402.68
1935	59.9	240	400.67
1936	61.1	240	392.80
1937	63.0	240	380.95
1938	63.7	240	376.77
1939	63.2	240	379.75
1940	65.7	240	365.30
1941	69.6	240	344.83
1942	72.9	240	329.22
1943	74.2	300 (Sept.)	404.31
1944	74.6	300	402.14
1945	75.0	300	400.00
1946	77.5	300	387.10
1947	84.8	360 (May)	424.53
1948	97.0	360	371.13
1949	100.0	480 (May)	480.00
1950	102.9	480	466.47
1951	113.7	480	422.16
1952	116.5	480	412.02
1953	115.5	480	415.58
1954	116.2	480	413.08
1955	116.4	480	412.37
1956	118.1	480	406.44
1957 (Jan.-June)	120.8	480	397.35
1957 (July-Sept.)	122.6	552	450.24
Now Proposed	....	660	538.34

(a) From D.B.S. *Canadian Statistical Review.*

TABLE II

GROSS NATIONAL PRODUCT AND FEDERAL AND PROVINCIAL EXPENDITURES ON OLD AGE PENSIONS, 1927-28 TO 1958-59

Fiscal Year	Gross National Product (a)	Federal and Provincial Expenditures on Old Age Pensions
	$ million	$ million
1927–28	5,647	0.3
1928–29	6,105	1.7
1929–30	6,166	3.1
1930–31	5,546	11.3
1931–32	4,560	13.4
1932–33	3,767	15.4
1933–34	3,552	16.4
1934–35	4,034	19.9
1935–36	4,345	22.4
1936–37	4,701	28.2
1937–38	5,355	38.0
1938–39	5,233	37.7
1939–40	5,707	38.8
1940–41	6,872	38.5
1941–42	8,517	38.1
1942–43	10,539	38.5
1943–44	11,183	42.9
1944–45	11,954	52.7
1945–46	11,850	55.0
1946–47	12,026	58.4
1947–48	13,768	76.0
1948–49	15,613	85.6
1949–50	16,462	119.5
1950–51	18,203	132.4
1951–52	21,474	183.6
1952–53	23,255	361.4
1953–54	24,473	379.6
1954–55	24,336	394.9
1955–56	26,916	408.1
1956–57	29,866	419.9
1957–58	—	527.0 (estimated)
1958–59	—	626.0 (estimated)

(a) For calendar year nearest to fiscal year, e.g. 1927 for 1927–28.

Mr. Monteith: I believe that these two tables will give to the hon. member the information he requested and will fully support the assertions I have made.

The hon. member for Macleod (Mr. Hansell) also requested certain information relating to the number of pensioners leaving Canada to live elsewhere. We have obtained from our regional offices data indicating that since the beginning of our old age security program some 2,500 pensioners have left Canada to live elsewhere and have, consequently, given up their right to benefit.

I would point out, however, Mr. Speaker, that these figures do not provide a reliable indication as to the number of pensioners who would leave the country to live elsewhere if they were free to carry their pension with them outside Canada. Perhaps a more significant figure to consider in this connection is the number of suspensions of benefit on account of temporary absences from Canada. In the calendar year 1956 there were about 13,000 cases in which benefit was suspended because the pensioner was absenting himself from Canada for a temporary period. I do not suggest for a minute that all these individuals would remain permanently outside of Canada if they were free to do so. My point is, rather, that the probable figure in which we are interested lies somewhere between the two figures I have given.

I believe, Mr. Speaker, that I have now dealt with most of the specific questions that were raised in the course of the previous debate at the resolution stage. I have only one point to make in conclusion. We have heard suggestions during this debate from different quarters of the house that the pension should range all the way from $75 to $100 to $200. I do not profess to know very much about—

Mr. Winch: Who asked for $200?

Mr. Monteith: You may ask questions later. I do not profess to know very much about

$75 or $100 or $200 pensions, but I do know one thing. When this government, a Progressive Conservative administration, says $55 a month it means exactly that—no ifs or buts or maybes, no hidden gimmick such as you will find in all the proposals of the three opposition parties. I believe the people of Canada will appreciate that kind of honesty.

Hon. George C. Marler (St. Antoine-Westmount): Mr. Speaker, I am not going to try to cover all the ground which has been covered by the minister's statement on second reading. I should like, however, to go back to some of the points that were raised in the discussion in committee during the resolution stage, and to preface my remarks by expressing regret that I was not able to remain in the committee on Friday to listen to the minister's answers to some of the questions which I had put to him. I do not want to spend an undue amount of time now in going back over this same ground, but I should like to emphasize two points which I made during discussion in committee. These points were with regard to the terms of the pledges given by the present Prime Minister (Mr. Diefenbaker) in connection with old age security.

When I read the minister's remarks on Friday with regard to this aspect of the question I thought he had made a very valiant effort to justify the position which he had taken, but that surely he did not consider the measure with which we are dealing met the two points I raised the other day and which were firmly promised to the Canadian electors during the campaign in May and June. I might express these two points briefly by saying, first of all, that the amount of the pension was to be adjusted to the rising cost of living, if it continued. I think I should reiterate the quotation which I gave to the committee earlier, because I think it is quite clear from the speech that was given that by no stretch of the imagination could it be said this bill implements that pledge to the Canadian electors. I should like to put the quotation on *Hansard* again, and it reads as follows:

> We intend, this September, to call together parliament and there and then fix a fair and reasonable amount for the old age pensioners, indeed for the other pensioners,—

It is this second part to which I should like to draw attention.

> —and also make provision for a formula whereby due allowance will be made in the future for the rising cost of living, provided that it continues.

It is quite obvious, Mr. Speaker, that regardless of what the minister has said, and regardless of the relation which the amount of $55 bears to the previous pension or bears to the national productivity or any other figure, there is nothing whatever in this bill that would satisfy the pledge of the Prime Minister that provision would be made for a formula whereby due allowance would be made in the future for the rising cost of living. Regardless of the efforts of the minister, which were very laudable and understandable, the plain fact does remain that the bill contains no such formula as was specifically promised in the federal election broadcast of May 22, 1957. Nor does it meet the other point which forms part of the pledge given by the Prime Minister in May at Toronto, that was that the amount of the pension would be geared to the national productivity.

Surely there can be no suggestion for a moment that the bill contains anything that gears the amount of the pension, $55, to the national productivity. Quite obviously the amount of the pension, the aggregate cost of the pension in any year, has a relationship to the gross national product or to the gross national product for 1956, but the word "gear" in the minds of Canadians would stand for some process embodied in the legislation by which changes in the gross national product would be reflected in a movement, preferably upward, of the amount of the pension.

I want merely to emphasize the fact that the bill which we are now discussing contains no provision whatever to link the present amount of the pension with future changes in the gross national product or with national productivity, if I might use the words of the Prime Minister when he spoke in Toronto.

The second point I want to make is that the minister, in dealing with the bill on second reading and indeed in his discussion of the measure in the committee stage when he closed the debate, carefully stayed away from dealing with what I consider to be one of the major problems arising in connection with this measure. I refer to the effect which it has upon the total cost of social security in Canada and the effect that cost may have on expenditures for national defence.

The other day I pointed out that so far as I could tell the total cost of social security has now reached the point where of the tax dollar that is retained by the federal government, after remitting to the provinces their share of the taxes which the federal government collects on their behalf and remits under the terms of the tax-sharing agreement, 27 cents is actually devoted to social security. In other words, the cost has reached a substantial amount. I pointed out that for the last fiscal year the estimated cost of social security—that is to say of

health, welfare and social security—had reached the rather substantial total of $1,050 million. I pointed out that changes in the number of recipients, or growth in the number of those who are entitled to receive old age security, family allowances and the other social security measures which have been under consideration, would account for the addition of another $30 million expressed in round figures.

I pointed out also that in the earlier part of this year 1957 changes in the various social security measures had added $108 million to the annual cost. The minister has told us again this afternoon that the cost of this measure will add another $96 million to that total. During the discussion of some of these other measures he told us that there will be a further addition of approximately $13 million. We can therefore see that the total cost of social security is not far away from $1,300 million, if we think in terms of what the cost to the Canadian taxpaper would have been had all these measures taken effect on May 1, 1957.

Mr. Speaker, I do not want at this stage —and perhaps it is not appropriate that I should do so—to deal with the other questions which fit in with this question of the cost of social security and the additional costs that this measure involves. I think I should merely sum up the views I expressed the other day by repeating what I said then, namely that while I think Canadians all across the country welcome any advance in social security measures that can be supported and sustained by the Canadian economy, I am sure they would view with considerable disquiet advances in social security that were going to be made at the expense of national security. I had hoped that the minister would be able to deal with this point when he closed the debate at the committee stage. Perhaps he will have an opportunity of doing so later on in the present debate. I think it is a point of considerable importance and one with which he should deal specifically.

Finally, Mr. Speaker, I think the minister should tell us what the government proposes to do in connection with the fuller investigation of old age security which the Prime Minister promised when he spoke at Antigonish, Nova Scotia early in the campaign. At that time he expressed quite clearly the opinion that we were dealing with a contributory system. His opinion does not seem to be entirely shared by the minister himself. If I might just quote one sentence from the report in the *Globe and Mail* of May 1, 1957, of the Antigonish meeting, I think it would show the views of the Prime Minister on the subject:

> The U.S. program, he said, is contributory but many Canadians forget that through two per cent each of their income tax, their sales tax and corporation tax they contribute to and pay for old age pensions.

Mr. Speaker, I shall spare the house the tedium of listening to the annual results of the old age security fund since the inceptioin of that fund at the beginning of 1952. However, I think I should again draw to the attention of the minister a point that we raised during the committee stage, namely the effect of these new proposals; and I include not only those which are now under discussion but also those that have already taken effect as the result of changes made earlier in this year. I should like him to explain much more fully than he has done how it is intended to finance the additional cost of old age security.

We all recall that when old age security was instituted late in 1951, simultaneously there was established an account known as the old age security fund to which were to be paid two per cent of the income tax, two per cent of the sales tax and two per cent of the corporation income tax. During the early years of the fund there were deficits in the fund because the amount paid out for old age security exceeded the receipts from those three taxes. But in the current year, the year 1957-58, we had reached the point in the beginning of the year when the estimated total of old age security pensions exceeded in the estimate by only about $6 million the receipts which it was expected would go into the fund during the fiscal year 1957-58. Since then two important additions to the outgo of that fund have been made. First of all the amount of approximately $60 million resulting from the changes made at the earlier session this year, and now this further addition which we are in process of discussing and which will add a further $96 million. Hence, in a word, Mr. Speaker, we are adding some $156 million to the outgo of this fund.

I realize—as, of course, does the minister—that the whole addition is not going to be effective in this fiscal year 1957-58 because the effective date of the increases—the one voted by the previous government and the one which we are now discussing—which will be November 1, 1957, will mean that the whole burden of those increases will not be felt in the current year. But nevertheless there is added an amount of $156 million to the obligations or the outgo of the fund, and I think this house is justified in

asking the minister, either when he comes to reply at this stage of the bill or in committee, to tell us just how it is proposed to deal with what seems to be a much larger annual deficit in the old age security fund than we have known at any time in the past.

I know that in the past the deficits have represented not unsubstantial amounts which have been made good from time to time by votes of this house. But I think the minister should go further, having regard to the substantial addition or, perhaps I should say, the substantial additions made in this current year because so far as I can see the fund is going to be very much in the red unless a process of some kind is devised to make good these deficits. Is it the intention of the government to increase the amount of the taxes diverted to this fund? Is it the intention to levy a tax specially for old age security? I think the members of this house and the public of Canada generally are entitled to know how this very substantial expenditure is going to be financed.

I think it has been made perfectly clear by what has been said by my hon. friend the member for Essex East (Mr. Martin) and other members who have spoken on behalf of the official opposition that we intend to give this measure our full support and of course it is our intention to vote for the second reading of this bill.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I rise on a point of privilege. When the minister was making his introductory statement I believe he said I had recommended the abolition of the residence qualification with regard to the particular measure before us. I would just like to make a reference to page 632 of *Hansard* of October 31, 1957 where in the first column towards the bottom I said the following:

> The second part of this resolution proposes to make a reduction in the residence requirement from 20 to 10 years. I believe that this proposal is commendable. There are those who would propose that the residence qualification should be removed altogether. Personally I am of the opinion that there is some justification for the continuation of that principle. However, I do agree that the 10-year period is much more just than the 20-year period that is presently in effect.

Possibly the minister was just allowing his enthusiasm to run away with him.

Mr. Monteith: I certainly must apologize, Mr. Speaker, if I misquoted the hon. member.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, during my years of residence or presence—I do not know which you would call it—in this house I have spoken quite a number of times on the question of old age pensions but I have not spoken previously in this debate on the resolution. I certainly support the bill as an improvement on previous legislation and I am not going to deal with it at length. I think my colleagues expressed our point of view very well at the resolution stage. However, I do want to make two or three comments with respect to certain aspects of this social security legislation, after listening to the minister's opening remarks and I can assure you, Mr. Speaker, I will do so with my usual economy of language and charity of purpose.

I was interested in what the minister had to say with respect to allowing a reduction in the period of residence, yet not permitting the old age pensioner to live fulltime in some other country and still enjoy the benefits of his pension. I have listened very carefully to his explanation. I am one who thinks that the 10 years residence is very fair indeed; I think it comes in between the two extremes, the extreme of 20 years and the extreme of no-residence requirement. I think it is very fair to the newcomers in this country and to the Canadian people as a whole.

However, I have never quite been able to see why persons receiving old age security, which is largely on a contributory basis, should not receive the same privileges accorded to persons receiving other federal government pensions; for instance such persons as judges and so on. I have always thought there was a measure of injustice in that situation. This bill does improve the situation by permitting an old age pensioner to be away for what would be in effect a total of one year, if necessary, by taking six months of one year and six months of the next but I do not think this improvement meets all cases. I would suggest, that while I am in favour of the stand taken by the hon. member for Vancouver East (Mr. Winch) consideration be given to those people on old age security who would benefit by residence in another country. I have run into a number of cases and would like to suggest to the minister that as he does not see fit to amend the legislation so as to permit a pensioner to leave Canada and enjoy his pension in any country where he wishes to live consideration be given to permitting those persons who find it necessary for health reasons to leave Canada to do so. I do urge that this first step in the right direction be given some consideration.

I would like to deal for a moment or two with the question of the changing purchasing power of the dollar and, as expressed by some other members, the necessity for some formula to create, shall I say, a situation of stability with respect to our old age pension scheme. I understand that it was one of the promises of the members opposite, or the Prime Minister himself (Mr. Diefenbaker),

that this legislation would include some such formula. I did not personally read that; I am just going by remarks made in the house during the debate which I judge would be correct because there has been no denial of that promise to date by the Minister of National Health and Welfare (Mr. Monteith) and I am sure he would be only too ready to correct the statements if the hon. gentlemen to my right had made a mistake.

This is however something which has caused the economists a good deal of anxiety throughout the years. I have heard people say "Well, if you create a formula and commence automatic increases or adjustments in the old age pensions to meet the cost of living you must face the possibility of the cost of living going down or the purchasing power of the dollar going down, as well as going up." I think the history of the value of money certainly indicates that there is a very slight possibility of that and for the information of the house I want to put on record a table issued by the institute of life insurance in Canada in the year 1950. In the year 1939 a dollar was taken as worth 100 cents and in terms of the dollar being worth 100 cents in 1939, the purchasing value in other years would be as follows:

1820	214.6
1830	261.8
1840	235.8
1850	258.4
1860	230.4
1870	147.3
1880	180.0
1890	184.2
1900	179.9
1910	149.7
1920	70.8
1930	86.9
1940	99.4
1949	59.1

Since 1949 we have had somewhat over a 23 per cent decline in the value of the dollar so on the basis of this table the purchasing power of the dollar to-day is something around 46 or 47 cents. Now there has been almost a steady decline in the purchasing power of money—any certain unit of money —and I think this applies to all western nations in the last 100 years. I do think that serious consideration should be given to providing a formula for the automatic adjustment of the basic old age security pension to compensate for any increase in the cost of living.

My third proposal has to do with the question of a national pension plan. As many members will remember, for some years I have been one of those associated with other members of this group who have urged the necessity for a national industrial pension plan. I have gone into that at some length on previous occasions.

[Mr. Herridge.]

I do not intend to do that now, but I would point out that thinking people in all the western countries are realizing that with the changing circumstances of modern life—increased productivity and changing standards of living—some other contributory pension schemes are required to supplement our basic old age security legislation. This matter has received a great deal of consideration in recent years in the Scandinavian countries, and it has also received a great deal of attention in Great Britain by both major parties in the House of Commons and particularly by the labour party. They have not come to a definite conclusion, but they are having a very thorough examination made of the possibilities of such a plan, and various proposals have been put forward.

I think I should mention this while we are discussing the present type of legislation because I think it is only a prelude to some more comprehensive, sounder and all-embracing legislation which the increased productivity of our economy demands. I, for one, think the government should give serious consideration to proposals for a national pension plan which will act as a supplement to old age security benefits and reflect the opportunities in this country for providing increasing security in old age, coupled with a measure of comfort as a result of our capacity to produce and as an expression of our Christian ideals.

Mr. S. H. S. Thompson (Edmonton-Strathcona): Mr. Speaker, I feel that the minister in replying to a question raised by an hon. member of this house did, in fact, emphasize a weakness in this legislation. I will support the bill with only one exception. I personally will vote against the decrease from 20 to 10 years in the residence qualification, if the bill is left in its present form. I believe that I will be able to show that this particular clause has the effect of creating serious discrimination in the position of pensioners and taxpayers.

In 1949 the cost of living index was 100 and the pension $40. In September 1957 the cost of living index was 123.3 which would require a pension of $49.32 per month to be proportionate. On the basis of the cost of living index the increase to $55 would suggest an improvement in the position of pensioners over 1949.

However, a comparison of the average weekly wages and salaries of industrial workers as shown in the August 1957 publication of the dominion bureau of statistics gives a rather different picture. The average wage at May 1, 1949 was $43.10; by August 1957 it was $68.38. Comparatively the old age pension would have had to be increased

from $40 in 1949 to $63.46 in 1957. Thus it is clearly shown that $55 a month will not give pensioners their share of the rising standard of living which we have enjoyed in Canada since 1949. In fact, they will, proportionately to the general position of people in Canada, be worse off than they were in 1940. Until our old age pensions have been increased to a point where they reflect a proportionate standard of living, at least equal to that which we acknowledged in 1940, no further group should be given a pension which does not require a means test.

When the Old Age Security Act was created in 1952 it was stated that the measure would be financed by sales tax to the extent of 2 per cent on the cost of goods chargeable, 2 per cent of corporation income tax and 2 per cent of personal income tax to a maximum of $60. There is little doubt that these charges were defined to justify the removal of the means test. In turn the public feel that this particular pension is contributory, and therefore a right at the age of 70. It is probably on these grounds that the government suggests the reduction of the qualifying period. Herein lie the main injustices of the bill.

Under the provisions of this bill persons may come to Canada at the age of 60 and qualify for a pension at 70. In this short period, and at that age, they will not contribute materially through the taxes mentioned. On the other hand, a person who has lived in Canada all his life and paid taxes throughout that period can obtain a pension at 65 years of age only if he qualifies under a means test.

I note that the period of disqualification is to be increased from three to six months. This is admirable in itself, but ridiculous when related to the qualifying period. Persons may live and pay taxes for 70 years in Canada, yet lose their pensions if, even for health reasons, they find it necessary to live elsewhere for more than six months. The whole character of this reduction clause reflects adversely on the comparative position of those who have contributed so much throughout their lives, not only in taxes but in the development of the national wealth and culture of our country.

On the other hand the federal government does have a responsibility to senior citizens brought into Canada. A pension is the finest way to render assistance when there is need.

The Social Credit stand that basic pensions should be at least $60 based on their relative position as acknowledged in 1949, is fully justified. An escalator clause would be a good addition to the bill, but, if included, it should give consideration not only to the cost of living but also to the standard of living as reflected by the wage level or the level of national productivity.

In conclusion, I personally feel that the injustices which I have described can be easily avoided. Those who become entitled to pension by the reduction in the qualifying period should be subject to the same means test as required under the Old Age Assistance Act. Any savings thus made could be used to lessen the severity of the means test regulations for all pensioners or to improve further the position of our pensioners who find it necessary to live elsewhere than in Canada.

Mr. Claude Ellis (Regina City): Mr. Speaker, the minister in his remarks referred to the number of different figures which have been presented by members of the opposition and I should like to point out that there should be some logical basis from which certain figures are derived. The question of what amount should be fixed ought not to be made a matter of political considerations, but rather, it should be set at a level sufficiently high to meet the needs of our senior citizens.

I was disappointed in the reply given by the minister because he did not satisfactorily set forth the reasons why the government did not use such a yardstick in arriving at the figures we have before us. When I spoke on the resolution I placed on record the evidence of the Montreal council of social welfare agencies which had set the sum required two years ago at over $70. In other words, as a result of their investigations it was determined on the basis of Montreal prices that an amount in excess of $70 was required in order to take care of the needs of the senior citizens. Therefore when we suggested the sum of $75 that figure bore a direct relationship to the economic needs of that group of Canadian citizens.

In his reply the minister did not refer to the commitment made by his party through the Prime Minister (Mr. Diefenbaker) which can be expressed in one sentence taken from the booklet entitled "The New National Policy of the Conservative Party" issued just prior to the last election. I am going to read this sentence because I think it sets forth the government's commitment in this regard. It reads:

> The Conservative party proposes to set the amount at a figure high enough to meet the needs of our older citizens.

In making his statement the minister did not tell us whether he thinks $55 meets the needs of our senior citizens but if he does think so then I suggest that he talk to people who have tried to live on the present old age pension. My colleague, the hon. member for Mackenzie (Mr. Nicholson) referred to the

account written by a Toronto newspaperman some time ago who had set out to try to live on the old age pension of the day. I suggest that the figure of $55 is very unrealistic if it is designed to meet the needs of our senior citizens as outlined in the Conservative party program.

One thing I would like to have the minister clear up when he replies at the conclusion of this stage of the debate is how the government arrived at the figure of $55. If he does not feel it is sufficient to meet the needs of our senior citizens, then how did the government happen to pick the figure $55? I think the main argument revolves around that point.

The minister made some reference to the request of members of the opposition for the removal of the limitation on the period of residence of pensioners outside Canada. My colleague, the hon. member for Kootenay West (Mr. Herridge), made a most worth-while suggestion when he said that if the government is not prepared to give a blanket permission, one might say, to our senior citizens, those in receipt of old age security, to reside outside of Canada on a permanent basis then some consideration should be given at least to those who must live outside Canada for reasons of health or those who choose to do so by reason of the fact they have no relatives in this country and prefer to live with relatives abroad.

As far as the main provision in this bill is concerned, I think it should be made perfectly clear that the figure $75 which we suggest is necessary at this time is not a figure selected out of thin air nor one tied to any previous pension. It is the actual amount of cash which we believe to be the barest minimum amount upon which a recipient of old age security can possibly hope to live.

Mr. Stanley Haidasz (Trinity): Mr. Speaker, I wish to take part in this debate and go on record as saying that though I welcome the increase of $9 to old age pensioners, I feel it is my duty to plead the case of those among our senior citizens who are destitute and who have no source of income other than the old age pension. In my practice of medicine in my riding of Trinity in Toronto I have had the opportunity on several occasions of visiting as many as 700 old age pensioners who live under one roof in Lambert Lodge in that city. Also in my practice, which is mainly concerned with poor people and those on welfare, I have had many experiences which have led me to plead their case, which is what I want to do this afternoon.

May I make an ardent appeal to the Minister of National Health and Welfare (Mr. Monteith) to use his influence with the Ontario government in an effort to obtain from that government a greater generosity in the old age assistance given to those people who are dependent solely on the $55 a month pension. Furthermore, I think the Ontario government should be asked by the minister to reduce the entitlement age for receipt of old age assistance to 60. There are many people who after the age of 60 are too sick to work or who cannot secure employment because no employer will hire them.

I am disappointed that there is no escalator clause in the bill before us providing protection to the purchasing value of the $9 increase which old age pensioners will receive. When the Prime Minister (Mr. Diefenbaker) made his first speech in the election campaign at Massey Hall in Toronto he did promise the Canadian people that he would support any old age pension increase with an escalator clause and he also promised that the increase would be geared to the national productivity.

I agree with the hon. member for Bonavista-Twillingate (Mr. Pickersgill) that the period of residence in Canada required for entitlement to the old age pension should be reduced to five years, the same period of residence required in the case of applications for Canadian citizenship. I also agree with the hon. member that the six months period of permissible absence from Canada is discriminatory. I have encountered cases in my practice where pensioners are required to live outside Canada for reasons of health or who would prefer to live abroad to be with relatives but because of the residence qualifications sometimes destitute widows and others are unable to leave Canada for fear of being denied receipt of the old age pension.

Mr. Speaker, although I will vote for the $9 increase in the old age pension I could do so with a greater feeling of satisfaction that justice is being done if these suggestions were carried out.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, we in this group recognize the value of this particular piece of legislation, recognizing that it contains the three fundamentals. The increase in the pension from $46 to $55 in itself makes this an important piece of legislation; however, we have always stressed that it does not meet the needs of senior citizens and from time to time we have suggested that at this time they should have a basic pension of at least $60 per month.

When the hon. member for Coast-Capilano (Mr. Sinclair) participated in this debate on October 31 as reported at page 637 of

Hansard of that date I noted he took issue with us in respect to this particular matter. I would just like to point out one or two discrepancies in his argument. For instance, at page 637 he is reported as saying:

> I hope that when this bill comes forward after the resolution is adopted it will contain a provision for an automatic annual revision based on the year-end cost of living to maintain the purchasing power, not just of the old age pension but of a minimum basic retirement income. A very modest basic retirement income would be $200 a month for a couple on old age security, made up of $110 a month from the new $55 pension, plus $90 of their own savings or pensions.

We in this group feel, Mr. Speaker, that the former minister of fisheries is recognizing a fact that is fundamental, that there should be a basic minimum of $200 for those people in this country who are in need. For that reason we of the Social Credit group still stick by our guns and say that the legislation would be much better if it provided a basic pension of $60 plus an additional $40, $20 to be provided by the federal government and $20 by the province for the needy people of our country who are and should be in receipt of old age security. The former minister of fisheries went on to say:

> I think such a provision would have immediate and very salutary effects.

It is gratifying indeed to see that he feels that the effect of a monthly pension of $200 for two people would be beneficial. It is unfortunate, however, that when he was in a position to suggest to the former government that that amount should be the minimum he apparently carried so little influence with the government of the day that his government did not see to it that the legislation he now suggests might be desirable was made effective.

I say that we in this group will support a monthly basic pension of $55, not because we think it is the end in itself but because we trust it is the beginning of the means to an end whereby the present government will eventually realize that it is desirable to increase the pension to a basic $60. In my own province we have recognized that there is a necessity to assist those particularly in need and, as I have said before, we have given these people an additional $20 per month under a means test. If you add to that the additional cost of providing medical, dental and optical care you find that the people in my province will in all likelihood receive $75 a month plus the additional medical, dental and optical assistance.

There are those who may have a personal viewpoint with respect to the clause of the bill embodying a change in the period of qualification from 20 to 10 years. However, we feel it is a desirable change. There are those individuals who have lived in Canada for 10 years who we think should be eligible for old age security. Possibly they have not contributed in a dollars and cents way to make themselves eligible but they have brought with them families, sons and daughters, who possibly have contributed and are contributing much in excess of the amount required to extend social assistance to these people. As I indicated earlier, there may be some hon. members who will disagree with that policy but we say it is necessary, and rightfully so, that these people should be eligible for old age security and to deny them that privilege would be just as wrong basically as to deny it to the ordinary Canadian. I think the arguments that have been made with respect to those who have lived in this country for 10 years and have reached the age of 70 are not only logical but just.

There is one point that I wish the minister would reconsider. We in this group have emphasized it on more than one occasion. I refer to the proposed clause to provide for a period of six months absence from Canada. I say that we should permit these people to leave the country for at least one year. It is not the case that people who have reached 70 years of age wish to leave Canada. I think the minister indicated in introducing the bill that there were some 2,500 who had refused their pensions and had left Canada knowing full well that they would not get a pension. I am not too sure and I am sure the minister does not know the exact number of people who would become eligible if we permitted them to leave Canada for a full year and to stay out of the country for reasons of health or some other reason best known to themselves.

It has been suggested from time to time that ours is a contributory pension plan. If that were the prime consideration that in itself might be sufficient to justify our plea. However, I do not think it is the prime consideration. These people who leave Canada sincerely desire to do so not because they do not wish to be in Canada but because I dare say 90 per cent of them have to do so for reasons of health. The minister may not be acquainted with many of them but I am satisfied that we can find a good number of people who have left for that very reason and who, because they have not the money, find it impossible to return to Canada every three months or every six months as the legislation would provide. If they did so they would find it absolutely impossible to live the type of life that they are ordered to by their doctors or the type of life which

would give them the ease and comfort they have a right to expect after having spent so many years building this country.

I think the minister should reconsider that particular question; tell us what he expects it might cost, and give us a basically sound reason for not doing so, and more particularly a moral reason why these people should be denied this privilege when for reasons of health or other reasons they desire to stay with their sons, daughters or friends in a foreign land where they can be happier.

Mr. A. D. McPhillips (Victoria, B.C.): Mr. Speaker, in the constituency I have the honour to represent, Victoria, British Columbia, we have a great many senior citizens. They have come there over the years because of the great natural beauty of the location and also because of the superb climate. Irrespective of some of the criticism I have heard in the house, these people are going to look upon this piece of legislation as one of the greatest boons they have received in many years.

It is odd to hear hon. gentlemen opposite quibbling about the increase. I should like to say that during their term of office they systematically ignored the plight of these elderly citizens and it was not until they were in an election year and found themselves in the throes of deathbed repentance that they finally came up with an increase of $6, which was an insult. It was not as if the previous government was a thrifty government, far from it. They were the greatest spenders in the history of the nation. We attacked them on that ground in 1953 but it took the people of Canada a little while for the message to soak in, so to speak.

You know, Mr. Speaker, it was the late Sir Robert Borden who said of the Canadian people that they are of a practical turn of mind rather than a political turn of mind. It is not until the need for a change becomes manifest that you get a change. Prior to 1953, and since that time, the outgoing government kept punching away at the national till so long and so loudly that it sounded like the anvil chorus, and the people of Canada heard it.

The hon. member for St. Antoine-Westmount (Mr. Marler) says that there is no formula contained in this bill. My suggestion is that it is not the practice to put a formula into a statute.

Mr. Marler: Your leader might have thought of that before he made this pledge.

Mr. McPhillips: This is an essential piece of legislation. It is the fulfilment of a pledge, just as the pledge to review it in the light of the cost of living will be fulfilled. It is for this reason the legislation should be treated as an emergent measure. There is no doubt about the bill passing because the opposition is going to vote for it and, for the first time in many years, these very worthy senior citizens of Canada are going to receive some recognition.

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, the hon. member for Victoria (Mr. McPhillips) has been in the house a relatively short time, and that is what leads him to say this is the greatest piece of legislation in our history. I think that is less than generous of him. It was only in 1952 that the former Liberal administration introduced the legislation that is now being improved upon, and that measure raised the cost of old age pensions to the federal treasury from less than $100 million to the present cost of approximately $500 million. This does not indicate a complete lack of discernment regarding the plight of the senior citizens of this country. The measure before us is simply an improvement of legislation which was introduced by the former administration on the recommendation of an all party committee which sat during the session of 1951.

The minister says he believes every one in the country, except the former minister of national health and welfare, has forgotten the history of the social legislation in this country. I do not wish to impute motives, but I am sure the present minister would be very unhappy if the voters forgot next spring that the present administration had increased the pension by some $9. We are not opposing this bill in any way. The fact that the former administration, acting on the advice of their advisers and the members supporting them, felt that a $6 increase was sufficient, having regard to all the other relative factors, is no reason for us opposing the amendment at this time which will provide for a greater increase. The present administration in their wisdom, and no doubt upon further advice from their advisers, feel it is a proper thing to do at this time and that it does bring our welfare measures more into line. We are happy to go along with that and support it.

The minister made a statement, I think quite a wise one, with reference to the residence qualification, that is the time a pensioner should be allowed to live outside of Canada and still draw old age security payments. One can see how ridiculous a situation it would be if it were possible for a person to come here at 69 years of age, reside for one year, and after having become entitled to the pension live in some other country. On the other hand, would it not be possible to allow a person to receive a pro

rata portion of the pension based on the number of years he resided in Canada? Under pension plans whereby a person pays 6 per cent of his income into the plan a person would be able to build up a pension similar to that which is provided by the old age security payment. It seems to me, therefore, that if a person resided in Canada for 15 or 20 years, he should be allowed to leave the country and still receive the full amount of the old age security pension. If the period of residence were 10 years, then he should receive a pro rata reduction based on the 10 years.

Something must be done. As was pointed out by the hon. member for New Westminster (Mr. Hahn), in many instances where a middle-aged couple come to Canada they bring dependents who will continue to reside in Canada and assist in the gross national productivity of this country. In cases of sickness, or in cases where the relatives of the aged people are living in other countries, or the relatives are not in a position to look after them, it seems to me we must relax this residence requirement and adopt something along the lines I have suggested.

The minister said that some members of the house were advocating pensions of up to $200 per month. One member of the house interjected and said that the hon. member for Coast-Capilano (Mr. Sinclair) had advocated pensions of $200 per month. This is not correct. In that part of his speech to which reference has already been made by the hon. member for New Westminster, the hon. member for Coast-Capilano was attempting to indicate what the basic retirement income for residents of Canada should be, that is for a man and his wife. He attempts to establish the need for, and the method by which an increase could be tied to the cost of living. He went on to point out that in many instances the breadwinner would have saved sufficient money to provide an income of approximately $90 a month and with the pension of $55 per month going to both persons they would have a basic income of about $200 per month. This is somewhat different, of course, from advocating a straight payment of $200 per month from the federal treasury.

As I say, I am certainly prepared to support this legislation. I think we should get on with it as rapidly as possible. This parliament should then come to grips with measures that are very important, such as the questions that were bandied about during the election campaign as to what the government was going to do about full employment and trade. I think this house should not rise until something concrete has been done about those subjects.

Mr. E. G. Hansell (Macleod): Mr. Speaker, I was called out of the chamber just when this bill was brought down today. However, when I was speaking to the resolution the other day I asked the minister a definite question. I did so because I knew he would not have the information at his finger-tips. I asked him how many people in receipt of old age security had left Canada in the last little while. He can give it for a year or two years, or for whatever period his figures are. It does not matter how long it is. I should like to know how many actually had their social security pensions withdrawn from them by reason of their going to some other country. I wonder whether he has that information.

My point at the time was that I did not think six months' absence was enough to bring about that result. I have maintained right along that if this old age security is given to one of our citizens by right—and that is the terminology that has been used on both sides of the house in the past—of citizenship provided they have lived here for the required length of time, then they are entitled to it no matter where they may go.

I hold in my hand an article which appeared in the *Financial Post* of October 5, 1957 and written by one of their writers, namely J. B. McGeachy. In it he points out some interesting observations just along this very line. He says:

> Is it merely quibbling to complain because the Canadian system doesn't conform to these models?

Here he is referring to the British pension and the United States pension which are contributory schemes and payable no matter where a citizen may go to live subsequently. He says:

> Not as I see it. For one thing, if the Canadian pension is genuinely contributory, if it's therefore "a matter of right" as Mr. Martin used to argue, why isn't it payable to a Canadian over 70 wherever he may be?

Then further on down the page:

> The inescapable fact is that the present Canadian system establishes no clear right. What is the payment of $46 a month,—

I may say that this article was written before this bill came down.

> —or any other amount, in fact related to? It's related to nothing except the social views, political necessities, financial circumstances and possibly whims of a party trying either to stay in power or dislodge its rival.

There is a point there that is worth considering. Farther on Mr. McGeachy says this:

> Mr. Diefenbaker, during this summer's campaign, said that $46 a month wasn't "enough". Enough for what? Nobody knows. There's no answer, official or philosophical.

Then he goes on to attempt to point out that it might be related to the gross national

product. But if it was so related, one objection that has been made to that suggestion is that if the gross national product should fall then the rate of old age security would have to fall. Of course that is something that is perhaps politically unwise. We all know that. We all know that when once you begin to give something in the form of a service, you cannot very well take it back. There may be some point to that consideration.

However, what I rose to point out especially was the situation where people go away because of their condition of health or something of that kind. Why is it not proper for a Canadian citizen who is in receipt of old age security, who has paid in on it over his lifetime,—this is not so today but eventually it will be so —to be allowed to live where he wants to live? What difference does it make? The money may not be spent here but it would not be such an enormous sum. I ask the minister if he would care to answer that question of which I gave him notice some days ago. I know we are not in committee on the bill. Perhaps I overlooked that point. If he wishes to wait until we are in committee, that is all right.

Mr. Monteith: By the way, I gave the answer in my opening remarks.

Mr. Frank Howard (Skeena): Mr. Speaker, I rise only in order to give the house the few views that I have with respect to this matter. After listening to the various comments and proposals made by members in all quarters of this house, ranging from such things as a cost of living bonus or a bonus based on the gross national product to paying the pensions to people who live in other parts of the world than Canada after they are entitled to receive it, adequate hospital care, adequate housing and so on, to the question of social security legislation for our elderly citizens I think we must take an approach different from that which we have taken in the past.

Ever since the inception of old age pensions—and many hon. members of this house who have been here for some years know this far better than do I—the approach has been on this basis: What can we do which will assist these old age pensioners immediately and which also might be looked upon favourably in the country when it comes time for us to go back to the people and see whether or not they want to return us? I do not say that is done consciously nor do I say that it is the sole consideration which has been given to the old age pension structure. Nevertheless, that appears to be the attitude or the approach that we have used when these changes have been made, namely on a sort of expediency basis. I do not think it is good enough.

[Mr. Hansell.]

Before I progress any further I should like to make a comment about the suggestion as to a cost of living bonus. I know, as do other hon. members, that this suggestion was contained in the comments made during the election campaign by various members sitting on the government side of the house, but quite frankly I am pleased that they dropped it at this time and that it is not contained in the bill. To my way of thinking at the present time, if we were to adopt some sort of cost of living bonus we would be perpetrating a great crime against our old age pensioners. It is true that when the cost of living would go up, it would raise the pension itself, but by so establishing at this time a system of cost of living bonuses we would be in effect saying that the present standard of living of the old age pensioners is good enough and that it is not going to increase any more. It would be in effect saying: "You are not going to get anything better; all you are going to do is to keep up with what you are behind the present cost of living".

Quite frankly, I am of the opinion that the approach we must make to the social security legislation for old age pensioners—and we are dealing with them in this bill—must be changed. We must take some cognizance of the problems and make some effort to solve them. Whether it be done through having a study by departmental officers, a commission, or a committee, it is immaterial. We must take continual looks at these questions of health care, hospital care, adequate housing, changes in the actual amount of the pension, residence qualifications, whether you are out of Canada, and all of the many other good, sound proposals which have been made.

I hope the government will keep that thought in mind if they have not considered it already and that by doing so and establishing our approach on that basis we can generate a better feeling in society towards our elder citizens and can give them the fullest possible means for an adequate way of life in their later years.

Mr. Jacob Schulz (Springfield): Mr. Speaker, I just want to say I am very much in favour of the bill under discussion. I support it mainly because it is an instrument designed to bring about a greater measure of recognition and justice for our senior citizens who have made this country great and will save many from privation and starvation.

The proposed amendments in the Old Age Security Act included in this legislation will give greater consideration to the needs of that group of Canadians which have long been neglected and which deserve better treatment from those who are the direct and indirect beneficiaries of their valuable work

and effort. It will be of some benefit to those who have as the pioneers of Canada been performing their duties under most primitive and daring conditions, making this country what it is today. It will assist those who for one reason or another could not reap the benefit of their labour. It will be helpful to those who through no fault of their own have not been able to help themselves, and it will at least compensate to some extent those who have lost the greater part of their savings through inflation.

I have mentioned these different categories which will benefit from this increase in pension for the enlightenment of those who are still confused in their own minds in that they regard any social legislation or improvement thereof as a major disaster. I repeat, those who for some unknown reason prefer individualism to Social order, and those who for selfish reasons have through manoeuvring our entire economy into a chaotic condition created inflation to the point where the buying power of the Canadian dollar is now worth less than 50 cents. This is the reason why we are here today to pass laws for increasing old age pensions to make up for these losses.

What is inflation? I think at this time we should ask ourselves this question. According to the Oxford dictionary inflation, applied to commerce and economics means "increase beyond proper limits for instance of prices". In more simple terms, if anything could be more simple, it means that inflation is created by unreasonable rising of prices from which some sections of the community benefits at the expense of the rest. The section to which our old people belong is one of those which lost the most through inflation, for rising prices mean an automatic decline in the buying dollar of the dollar; it means that many of these people who have been indirectly robbed of more than half their savings, which in many cases represented the greater part of their life's work, will once again have to be provided for by emergency measures.

It was a similar situation the other day when we were dealing with the case of the farmers. The hon. members of this house are called upon to pass laws compensating these people for their losses—these people who work hardest, saved the most and have lost the most—these are the people who followed the practice dictated by the age-old wisdom of putting aside a few dollars for a rainy day and have been caught in the squeeze between rising costs and falling value of our currency. The unbalanced condition created by inflation has reduced the purchasing power of their accumulated savings to less than half its original value. Many of these people have been reduced because of the dwindling value of the dollar to the point where they have become permanent wards of the government.

Most of these people were solid and thrifty citizens and did not wish to pass their remaining years in such a condition. They purchased war bonds and life insurance, contributed to pension funds and accumulated savings accounts only to find that a dollar saved in 1939 has lost half its value. They find that because of the almost 4 per cent increase in consumer prices in the last 12 months their dollars invested in government savings bonds a year ago have not brought in sufficient interest to cover the depreciation of their money. They find their self denial in accumulating savings to provide a nestegg for their old age has been in vain. They find that their total reward for their efforts is ultimate bankruptcy plus old age pensions; they find the whole process is a shameful delusion.

Even those who through their power of collective bargaining were able to keep pace with the rising cost of living have become victims of the ever-rising price spiral at their retirement. Without any means of raising their income, they stand helplessly by, watching inflation taking bigger and bigger bites out of their fixed income. Their pension cheques which could buy goods for $100 in 1949 are worth today only $83, or a loss of 17 per cent in seven years. What they could buy for a dollar a year ago now costs $1.04. This is the result of the economic crime we call inflation.

We are now called upon to save some of its victims by increased social legislalation. There are to be three changes made in our old age security laws to ease the crippling effect of this inflation. First, to raise old age pensions from $46 to $55 monthly; second, to cut the period of Canadian residence required to qualify from 20 years to 10 years and, third, to lengthen from three to six months the permissible period of absence from the country in any year without loss of pension.

Adding these increased social measures to the $6 increase in old age security pensions provided for by the former administration will reimburse to a considerable extent those whose income has been largely wiped out even though it is not enough to provide very much for future losses, in which case the pension should be raised to $60 or more. One must admit that taking into account the fact that this increase is being granted by the two older parties it

can be regarded as a somewhat remarkable achievement. They really deserve credit for this performance.

Thanks to what H. B. Mayo describes as the conscience of the country, that is the C.C.F. party, the old line parties have gradually been forced to accept the principle of social assistance to the needy. The party's founder, Mr. Woodsworth, was the man who laid the cornerstone of Canadian social thinking. Since the party was formed in 1932 it has created a social consciousness in this country that no one can escape, no matter how crusty he may be. Even the old party politicians are becoming bewildered by public opinion and confused in their own thinking to the point where they are now trying to outdo each other in helping socialism, as the Ottawa *Journal* puts it, to come in through the back door.

Of course, there is actually nothing wrong with socialism if you look at it the right way, and as long as it is democratic. Socialism comes from the word social, and most people want to be social. Webster's dictionary defines it as a "theoretical contract by which men obtain true freedom to substitute a state of law for a state of individualism."

This makes it quite understandable why the two old parties are so anxious to comply with one of its major principles. It was interesting and at the same time amusing to listen to the former minister of national health and welfare arguing with the present Minister of National Health and Welfare (Mr. Monteith) the other day over the matter of who is bringing in the most social legislation. But what I cannot understand is this: if they want to do it, why do they not join the C.C.F. where they could do it through the front door instead of the back? The establishment of adequate social laws has always been one of our major policy planks. But how far will it go?

Unless the government is willing to do something formidable to stop this curse of inflation which has impoverished whole sections of our society, something of this sort will have to be done to tie them to the constantly increasing cost of living. In the *Financial Post* of August 3 it was clearly pointed out that not only pensioners, annuitants and retired industrial wage-earners are taking a sharp drop in real income, but more and more wage and salary recipients are feeling the pinch of rising prices, and feeling it despite pay increases. Especially in those industries where white-collar workers predominate, wages tend to lag behind prices.

It is often said that increasing wages create inflation. But on page 21 of the same issue of the *Financial Post,* appears this statement:

> Salaried workers and wage earners in service industries are either achieving small real gains or losing ground in real terms. Average weekly wages in some industries are lower in both dollar terms and real terms.

In a table contained in the September 21 issue it is clearly shown that increases in labour income are losing pace and have declined from 3.5 per cent in the first quarter of 1956 to 1.5 per cent in the first quarter of 1957, a drop of 2 per cent in one year. Who is responsible for this condition? Where is this prosperity so many people talk about? In the *Financial Post* of August 30 appears this statement:

> In industry, all major groups have chalked up impressive increases, not only in dollar terms but also in terms of what those dollars can buy.

This is the unbalanced condition existing in our country created by inflation. On one side, rising prosperity and, on the other, decreasing income. This discriminatory process of one group being allowed for years to exploit another group has now progressed to the point where emergency laws and social legislation must be employed to save the losers from poverty and starvation. If it had not been for this economic injustice that is allowed to go on without being checked year after year we would not need to use the Canadian taxpayer's money to compensate for the losses by increased pensions.

Unless the Prime Minister (Mr. Diefenbaker) has the patriotic courage to tackle inflation, which has become the core of our trouble, and resist the political pressure of selfish class interest, the increase in pension will not be of too much assistance to our senior citizens. This monster of inflation will eat it up from one end almost as fast as we can feed it with temporary stop-gap measures from the other end. If nothing more fundamental is done it will not take too long until those who depend solely on pensions will be behind again.

Those who enriched themselves in this manner will obviously resist any attempt to stop or even slow down inflation. They accuse any person or political party that attempts to stem the tide of rising prices of trying to create a recession or even a depression. They do not seem to know that any inflation, if not stopped, is automatically followed by a depression. Some of them are naive enough to suggest that a little inflation is quite all right.

When some years ago, former president Harry Truman was asked what he thought

about having just a little inflation, he replied: "You cannot have just a little inflation. Having a little inflation is like being a little pregnant."

The United States authorities as a whole seem to be much more concerned about the dangers of inflation. Apparently they have learned from the past that while people are slow in losing their confidence in money, once it is lost it is equally difficult to restore it. They seem to remember much more vividly the episode of the thirties than those who are responsible for maintaining respect for the measure of value of our own currency. This is proven by the fact that since 1947 the purchasing power of the United States dollar has declined by 20 per cent while ours has lost 29 per cent in the same time.

At the beginning of the year President Eisenhower asked congress to appoint a citizens' commission to study the nation's economy to determine where their financial system is out of date and how it can be made equal to its task.

What have our governments done? The Liberal government instituted what is called a tight money policy, consisting of restricted credit accompanied by high interest. That can perhaps be compared with putting a block of ice on a thermometer. It will lower the temperature reading, but does not end the heat wave.

The present government apparently decided to reverse this policy. Shortly after its election, the Minister of Finance announced that the tight money policy must go. I thought there could be no doubt that high interest rates would go with it but instead since that time interest rates went up by one-quarter of one per cent, and this move, to my surprise, was initiated by the Bank of Canada which is a government institution.

Mr. Speaker, the basic truth of this whole matter is that our government must either squarely face the problem of inflation and accept the policies necessary to check and curtail it, or else it will produce what former president Hoover called a hair-raising depression. It should be obvious by now to every thinking person that this merry-go-round of rising prices and increasing wages must stop. Merry-go-rounds are for children and not for intelligent adults.

Mr. E. J. Broome (Vancouver South): Mr. Speaker, representing as I do a Vancouver riding, the question of increased benefits under the Old Age Security Act and the Old Age Assistance Act, is of particular concern to me. It is an undisputed fact that British Columbia has the greatest percentage of senior citizens of any province in the dominion and most of these citizens live on the west coast and Vancouver island because of a mild and temperate climate more suited to their years. These senior citizens pioneered this country, built up its wealth, raised and educated their families and made Canada the great nation it is today. The pension they receive is theirs by right of hard work and by right of their contributions through the various taxes levied to help defray the cost of these pensions.

The ordinary wage earner with a family finds it almost impossible to put away any money to take care of his old age. Such savings as were made during his best working period are today paid off in depreciated dollars. The senior citizen who has given his children a good education, bought a house however small, and perhaps saved a few dollars as well, has done an exceptional job for himself and this country.

The first amendment to this bill is to increase the pension to $55 a month. I was most interested when the minister informed the house the other day that this represents a 37.5 per cent increase over the $40 level which prevailed at the first of this year while by comparison the cost of living index has risen only 23 per cent since 1949 and only 5 per cent since 1952 when old age security payments commenced. At the time of the commencement of old age security payments in 1952 the gross national product was $23¼ billion while in 1957 it is estimated at $30.8 billion or an increase of 32.4 per cent compared to the pension increase of 37.5 per cent.

However, in assessing the value of this increase it is necessary to consider the other welfare measures which are part and parcel of the whole welfare program we are considering at this time, namely increases in payments under the Old Age Security Act, at an estimated cost of $13 million per year divided equally between the federal treasury and the provinces; increases in pensions for the blind at an estimated cost of $1 million to the federal treasury; and increases in pensions for disabled persons at a cost of $4.6 million divided evenly between the federal and provincial governments.

I wish to quote from the statement of the minister when he introduced the resolution on October 24 as reported at page 385 of *Hansard* of that date. I think the minister put it in a nutshell when he said:

> May I add a further word, Mr. Chairman, with respect to the level of benefit that is now proposed, namely, $55 per month. We make no extravagant claims with respect to this benefit. We do not say that it is the final or perfect solution, or that there is any magic rightness about this particular

amount. We make no extravagant claims as to the generosity of the amount we are now proposing. It is my view, rather, that we should try to measure what we are doing here not in terms of generosity but in terms of justice.

Mr. Speaker, I submit that this bill does measure what we are doing here in terms of justice. Considering all of this, I believe the increase proposed is a fair and reasonable one as it takes into account the increase in the cost of living and adds an increase over and above this for good measure. The pension has not been tied to the cost of living which could conceivably result in cutting pensions if the cost of living went down, but I am confident the government will be reviewing the pension periodically if living costs continue to rise.

I am certain that nearly all hon. members are in agreement with the second amendment which reduces the basic residence requirement from 20 to 10 years.

I would now like to say a few words about our pension arrangement as compared to plans in operation in the United States. The United States plan is carried without government assistance by means of contributions from both employer and employee. The benefits given are greater than those supplied by the Canadian old age security plan. However, it has the weakness that it helps only those workers employed in factories or other places who can be reached by the principle of deduction from pay cheques. It might well be that in the future some national scheme on a fully contributory basis could be evolved which would reach these people and provide them with a supplementary pension.

The opposition has been pointing out the increased cost to the Canadian taxpayer of this and other measures. Actually, Mr. Speaker, these measures are not inflationary in the slightest degree. Every dollar received under the provisions of this act will be spent immediately on food, shelter and other living requirements.

Hon. members speaking previously during the resolution stage have pointed out that there are many instances of pensioners not receiving any benefit from increases in their pension due to automatic increases in rental or subsistence charges leaving the pensioner with not one cent more for himself. I believe that through the administrative staff handling pensions and by pensioners reporting back such happenings publicity could be given or other steps taken which might curtail this practice.

The third amendment increases from three to six months the length of permissible temporary absence of pensioners from Canada. I think all hon. members will agree this is a step in the right direction. It might be that later on the minister would consider setting up reciprocal regulations with other countries, particularly in respect to commonwealth countries, as the spending of pension cheques in these countries would be an aid in helping to correct the present imbalance in our foreign trade.

In conclusion, I believe that the government will have to give the lead to industry to see that first class workers are not retired both prematurely and arbitrarily. The effect of this premature retirement on the worker who continues to be fit in both mind and body and who wishes to carry on working at a job he is quite capable of doing is frequently the worst imaginable, but the social circumstances are serious too and likely to become more so. The average life span is progressively lengthening with each decade and, unless we revise our ideas, before long the rapidly growing numbers of older people who are compelled in one way or another to become dependents will constitute an enormous burden on the working population.

There is a real fear in the heart of all when they reach the middle forties or fifties that if they lose their jobs they may not be able to get another one because, and only because, of their age. We must take the leadership in educating all employers in Canada to the end that our older workers are as freely accepted as our younger workers.

The measure before us is a just one and is supported by Canadians in all age groups. The government is to be commended on the speed with which it is acting. It is doing more and in less time than any previous government has ever done.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. A. B. Macdonald (Vancouver-Kingsway): Mr. Speaker, the Prime Minister (Mr. Diefenbaker) himself has said that our old age security legislation should provide an amount which, in his words, would meet the needs of our senior citizens. In listening to the debate in the house, both at the resolution stage and at this stage of the bill, I have not heard any member, even a member from the government benches, suggest that $55 a month will meet the needs of our senior citizens. I have not heard a member from the government benches suggest that that amount, even with the provincial bonus, will meet the needs of our senior citizens.

I think, Mr. Speaker, that those needs could be met, certainly more adequately, if our old age pension legislation rested upon a fair, even-handed and just financial basis. The present old age security legislation, as we have been told many times, draws its finances from three sources, the 2 per cent of the sales tax, the 2 per cent of corporate taxation and the 2 per cent applied against income tax. It is the last 2 per cent that I want to draw attention to for the moment.

This 2 per cent is a tax applied only to the first $3,000 of taxable income. As we all know, this has meant that in the last few years a most inequitable system of taxation in that regard has existed in this country. It has meant that a man with a taxable income of $3,000 a year pays $60 into the old age security fund and a man with a taxable income of $50,000 a year pays only $60 into the fund. Or, to take an extreme case, a man with a taxable income of $100,000 per year still only pays $60 into the fund.

It is axiomatic that fair taxation laws should bear most heavily on those best able to pay. Taxation should be based upon ability to pay and it seems to me, Mr. Speaker, that the problem of financing adequate old age security would not be nearly as great as it is if only, as I say, the government would base the pension fund upon adequate and equitable taxation principles.

There is another source from which this fund should be supplemented at the present time and that, of course, is the field of capital gains, the field from which the great unearned fortunes that are being made in Canada today spring. They do not spring for the most part from earned income or salary, they spring from capital gains in speculative ventures, often a gain which results far more from the general improvement of values in the community than from any effort made by the individual concerned. Yet this vast source of fortunes is utterly untaxed in Canada today.

I would hope, Mr. Speaker, that before too long the government will consider bringing down a budget. As a freshman member of parliament I am particularly concerned to try to see the total picture, to try to see how the $95 million or so that we are proposing to add to the pension fund liabilities fits into the total picture of the revenue of Canada and the picture of how that revenue could be supplemented. I hope that will be done, together with a review of the industrial and business picture across Canada today.

But I suggest that even without seeing that total picture, which can only be presented in a budget, there are rich fields of taxation which should be taxed to help to provide adequate security for our senior citizens and, as I said at the beginning, I do not think that anyone can pretend that we are doing that by this legislation. So I say that the iniquitous 2 per cent application against income tax which stops at $60 and which hits the relatively poor man just as hard as it hits the rich man must be done away with. I say we must tax capital gains. I say if you evolve a taxation system which is fair, just, equitable and even-handed you will have the funds to provide adequate old age security for our senior citizens, certainly at a basic level of $75 to which should be added the provincial bonuses.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I have a brief word to say. I think the provision to grant six months absence in a year is very generous. The pensioner will be able to spend half his remaining life outside of Canada. Let us take a man who has not been long married and has a young family. We will say that he has come to Canada from one of the best countries in the world, Ireland. He does not see any future for himself or his family in Ireland and he says to himself, "I think I will go to the best country in the world, Canada." Out to Canada he comes. What does he find in Canada? He finds all the work he can do and he is not only able to provide for himself and his family but is able to educate his children and save a little.

When he becomes 70 years of age he gets $46 or $55 or, as one hon. member would have it, $75. Some people like my hon. friend here would say that he should be allowed to go where he likes. I do not think he should be allowed to go where he likes. I think he should be grateful to Canada and it is a sin of ingratitude if he wants to go back to Ireland and live there. If he wanted to go back to Ireland so badly he should have stayed there in the first place.

I think the minister certainly has been very generous in extending the period of absence to six months. When I sat on the other side of the house, Mr. Speaker, I found that no matter how generous the government was there were always those who wanted twice as much. If the minister will open his eyes he will see that situation has not changed. Some hon. members are saying that he should not have made the period six months, that he should have made it for life. I do not think he should. If a man needs a particular climate he does not have to go outside of Canada. We have all kinds of climate in Canada from the Atlantic to the

Pacific. In Victoria you have a mild climate. In Calgary or the Rocky mountains around Banff there are the chinook winds which bring about a change in climate. If you go to Fort William you will find the climate always changing and you will get the best hockey in the world which enables you to forget yourself.

I think if a man is grateful he will want to live in the place that has treated him generously. Instead of making the period six months, I think the minister should have made it less but he can go to sleep and feel that even if he had made it twelve months there would be those who would want to make it twenty-four.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I realize that a great deal has been said about the Old Age Security Act and the amendments that are proposed. I think there has been far too much said about certain promises that were made prior to the election. In the Medicine Hat constituency the Conservative candidate, to my knowledge at least, never mentioned old age pension or old age security or old age assistance or anything of that kind. All he talked about was Diefenbaker, so much so that I wondered if there was still a Conservative party or whether they had changed their name to the Diefenbaker party.

Mr. Marler: They did in some parts of the country.

Mr. Olson: Be that as it may, the Liberal candidate did not make any specific promises either. He made several references to common sense being used in legislation. That was all well and good, except that when I went to visit some of the old age pensioners, some of those who had to live on what they received in the form of old age security payments, it did not make sense to me that in a country such as Canada which is able to produce so abundantly all those things that are necessary for a good life, they should have to try to get along on $46 per month.

I should like to add my support to the argument advanced by the hon. member for Peace River (Mr. Low) to the effect that an increase in old age security payments would put money into the hands of people who would buy consumer goods. In that regard I should like to say that in no part of Canada do we find any shortage of consumer goods. For that reason it would appear to me that any money put into the hands of these people would not increase inflationary pressures.

During the course of this debate several members have mentioned the fact that we should try to eliminate politics from old age security and old age assistance of any kind.

I think we may as well be realistic and face the facts. Politics and political manoeuvring are part and parcel of our democratic system and so long as there are candidates representing different parties going to the people and asking for a mandate, they are certainly going to bring up matters of such importance as old age pensions or any other kind of social security. As long as we have human nature with which to deal in political elections I am certain we are going to have old age security and all social security measures brought into election campaigns, no matter how hard we strive to keep them out.

There have been suggestions also that there should be an escalator clause attached to the scale of payments under old age security legislation. I certainly go along with this idea, although I am not quite satisfied in my own mind as to whether that should be tied to the cost of living or whether it should be tied to the gross national product or to what it should be tied. In looking at this picture we must realize that if we are to be a progressive nation, then the standard of living must rise. If we tied the payments to the cost of living that would not, in fact, take care of an increased standard of living as our country may be able to provide it. While I do not have the exact formula for doing this, my feeling is we should be able to study the matter and then set up some kind of plan whereby we can make increases as the nation is able to produce the goods and services necessary to increase the standard of living.

So, Mr. Speaker, I should like to conclude by saying I support the amendment as an instalment, as a step in the right direction. I do not believe they are adequate. We in the Social Credit party advocated $60 per month basic pension. While that was considered the minimum and $55 of course falls even short of that, we cannot but support the measure because it is at least a recognition of the fact there is a need for an increase, and it is an instalment. Until such time as we can arrive at a formula that will adjust old age pensions without an act of parliament and maintain what we believe to be an acceptable standard of living for our old age pensioners, I think I will go along with the amendments as they have been stated.

Mr. A. R. Smith (Calgary South): Mr. Speaker, my first remark would be that the more I listen to the hon. member for Fort William (Mr. McIvor) the more I am certain he is misplaced and ought to be sitting on this side of the house rather than on that. We can all, of course, agree with his sentiments and they were well expressed indeed. It will

certainly come as no surprise to hon. members that I am going to support this measure. I have not been prompted to make these remarks because of the dinner recess, but rather because of the comments of one member of the C.C.F. party who suggested that the Minister of National Health and Welfare (Mr. Monteith) and the former minister of that same department were gradually drifting towards a state of socialism, so much so that they might just as well become socialists. I do not think I would be remiss if I were to state to that gentleman, and to the gentleman who is doing his best to interject, that that is far from the fact although perhaps that hon. gentleman would wish that situation could occur immediately.

The hon. member for St. Antoine-Westmount (Mr. Marler) interjected some comments with which he may be surprised to find I am in some measure of agreement. He suggested or inferred that we are today looking at some substantial costs resulting from what has become, in the last half decade, a very enlarged welfare state. Perhaps one conclusion we could draw from his comments is that in looking towards the future and the extent of the social benefits in any form that any administration, regardless of the political party that may be responsible for it, can provide, consideration must be given to just how far this state can go without social welfare legislation becoming a big drain on the general economy of the country.

Having said that, Mr. Speaker, let me very quickly say that before we determine where we shall put a stop, if a stop is required, the stop should not be made at the expense of those who are least able to fend for themselves. The point that I make is that no one in this house has registered a protest, and I think rightly so, to this measure. Most hon. members have, if nothing else, indicated support to a degree based on the necessity or urgency of the measure. This is, of course, introduced as an urgent measure. I say, therefore, regardless of how we look in the future at the measures that come before this parliament, we must ask ourselves who, in regard to this legislation, can defend themselves or look after themselves best and who cannot. I believe those who have contributed to this country, be they senior citizens or veterans, have a prior claim; and that is exactly what this government is recognizing in this measure.

I think perhaps it is a regrettable commentary on our situation today that we accept the fact that we enjoy a fairly high level of prosperity and yet we see, in this and every other community, a situation in which many of our elderly citizens are being obliged to put up with the most distressed conditions. I think we all ask ourselves how this can occur when so many are enjoying the prosperity to which I have made reference.

I therefore say that legislators, regardless of who they may be in the future, should—as this government are doing today—give their consideration to the urgent demands of those who need it most. But certainly they must recognize the fact that other measures of social security must at some point be fully conditional on the ability of the economy in which we live to meet and be able to pay for them. I agree with the hon. member who said that we in effect must be able to recognize the fact that, unfortunately, we cannot lift off the tree all the funds that are necessary to meet these benefits that we think should be introduced in this house. But what I say—and I think this is where we differ—is that this is one of those measures which, judging by the hundreds, yes, literally thousands of letters which members have received, recognizes the seriousness of the plight of our elderly citizens who, as I say, are not enjoying anything of the benefits of our prosperity but who nevertheless suffer all the disadvantages of an inflated economy.

I believe this government should be congratulated for recognizing the urgent demand of these people who have contributed so much in the past; and because of this fact they have placed at the head of their legislative program perhaps not the most important bill that we should see but certainly one of the most urgent.

Mr. Arthur Maloney (Parkdale): Mr. Speaker, I should like to say a brief word about the effect of this legislation on immigrants to this country. I have in mind, first of all, the principle of the bill which reduces to ten years the residence requirement that existed under the earlier legislation which is now being amended. I am thinking of the beneficial effect it will have on immigrants who have come here in recent years from the British isles and countries of continental Europe. I must confess that I always found it difficult—I know that my difficulties in that respect were shared by all of the hon. members on the government side of the house—to understand how it was that our predecessors in office were unable to accede to the recommendations of our party, then in opposition, made over long periods of time to do what this legislation now brings about.

From the figures that were mentioned by the Minister of National Health and Welfare (Mr. Monteith) I understand that approximately 5,000 of the immigrant population

will stand immediately to benefit. In other words, immigrants who are now 70 years of age and who came to this country during the years from 1938 to 1948 will enjoy a benefit of which they would have been deprived for another 10 years under the legislation in its unamended form. It is true that these people did not contribute to the production or the revenue of our nation except for a brief period of time, but on the other hand, neither were they the recipients of some of the costly benefits in the gift of our nation to bestow.

I have in mind one specific case in which the practical benefits which will flow from this legislation can easily be illustrated. I am thinking of a professional man from one of the countries of eastern Europe. I shall not identify him more specifically for fear of some embarrassment that he might be occasioned. He was a lawyer and in his own country he occupied a position of eminence and prestige in his profession. He enjoyed the high regard and respect of all the citizens of his country as a famed lawyer. However, because of his hostility to communism and inability to submit to its slave-like domination, he came to this country. Here he was required to live in simplicity and frugality, in circumstances far different to those to which he had been accustomed in the land of his birth. Presently he is engaged in employment which for him, because of his age, is physically exacting and indeed soon becoming impossible of performance. This citizen to whom I refer has just attained the 70th year of his life. He will be resident in this country ten years about the summertime of 1958. He is but one of many who will stand to enjoy the charitable and merciful benefits of the amendment.

In respect of one other aspect of the legislation, however, I should like to be permitted to advance merely a suggestion for the consideration of the minister and the government. It is in reference to the people referred to by the hon. member for Fort William (Mr. McIvor) a moment ago namely those who choose to leave the country and who still wish to enjoy the benefits of this legislation. There are many in that category who came to this country early in their lives and who, over a period of many years, have contributed heavily to the production and the revenue of our nation. The people of whom I am thinking at the moment when I make these remarks are largely people who come from the British isles, of whom there are many in my constituency.

They came here at an early age, have engaged in many and varied occupations in this country and, as I say, have contributed heavily to its advancement. Some of them have been here as long as 30 years and some as many as 40 years. However, their memories of the lands of St. Patrick and St. George or the lands of the shamrock and the heather are still green and they would like to go back in the declining years of their lives in order to pass the remainder of their days in those surroundings. It occurs to me that in the case of persons who fall within that particular category some exception to the present legislation might possibly be made. As I say, they have contributed heavily to the country's production and revenue. I realize that the proposal may have broader ramifications and must be considered in the light of those ramifications, but I respectfully hold out that suggestion for consideration by the minister and the government.

Mr. Louis Lewry (Moose Jaw-Lake Centre): Mr. Speaker, I wish to add my support to those in this house who have expressed themselves as being in favour of the increase in the old age pensions. However, I suggest the proposals fall far short of the promises made during the election campaign when those candidates now on the government side said that the Conservatives would, if elected, consider extending the present old age pension system by the addition of an insurance scheme similar to that in use in the United States. That is not the purpose of the bill introduced during this session.

While we do suggest that it is still not enough it is a step toward more security for the old age pensioner. Proven statements of welfare organization issued over a year ago showed that an income of $75 per month was the bare minimum for the existence of a single person. May I say that in Saskatchewan the C.C.F. government is taking up the slack of inadequate federal old age pensions by providing supplemental allowances, hospitalization and medical services. In addition, Saskatchewan provides nursing home care to the chronically ill in provincially operated nursing homes. Over 40 old age pension home projects are now in operation in Saskatchewan for the senior citizens of our province.

Prior to the 1957 federal election campaign the senior citizens of Canada were a forgotten people. They had no means to increase their meagre pensions in the twilight of their lives despite their hard work and contributions over a period of many years. I heard one speaker in this chamber a few days ago suggest that the provincial governments are not paying their share toward the care of needy old age pensioners. Until there is a change in the fiscal policy which now

exists whereby the federal government takes 75 cents out of every tax dollar I suggest no provincial administration can do all they would like to do on behalf of their elderly people. With the remaining 25 cents out of every tax dollar paid in taxes having to be distributed between 4,600 municipal governments and 10 provincial governments it leaves much to be desired, but I suggest tonight that we get on with this legislation so that our old age pensioners will at least have the feel of a few extra dollars before the cost of living catches up with them. We have already heard that landlords have increased the rents of the old age pensioners to be effective when this increase is paid. Until our economy is planned for the benefit of the people of Canada we will continue to have this unequal condition. Let us pass this legislation immediately and with it extend our best wishes to the old age pensioners for another larger increase after the next election. We could say now that it is not much but it is the spirit that counts.

Mr. W. H. McMillan (Welland): Mr. Speaker, I am very much in favour of this legislation which permits the government to make increased payments to our senior citizens and I want to congratulate the Minister of National Health and Welfare (Mr. Monteith) for bringing in this bill. I regret, however, that he has not included an escalator clause.

There is one other matter I would like to raise in connection with this bill. In my area and several other areas in Canada I understand it is the practice to reduce the industrial pension payments by the amount of the old age pension when the pensioner reaches 70 years of age. Up to a few months ago this amount was $40, it is now $46 and I presume it will be $55. Where this practice is in vogue these increased payments will help industry in full where the plans are not contributory and in part where the plans are contributory. Most of such increased payments will help industry; this means that the old age pensioners will not receive one cent more than they did before, in cases where these deductions are made. I repeat, they will receive no more than when the old age pension was $40 a month. I would like to ask the Minister of National Health and Welfare if he has taken any steps to provide that these increased payments should be passed on to the pensioners.

Mr. J. A. McGrath (St. John's East): Mr. Speaker, as a member from Newfoundland I feel I would indeed be remiss if I did not speak to this bill. Social security and particularly old age pensions played a very important role in bringing Newfoundland into confederation. As a matter of fact one should almost say that this was the bait that caught the fish. Social security and the benefits accruing therefrom were held over the people of Newfoundland and they were told "If you come into confederation this is what you will get."

I am of a new generation and I believe there is more in Canadian citizenship than social security. There are however many people in Newfoundland today who believe that the only benefit to be derived from being called Canadian is the receipt of family allowances and old age pensions. This is certainly a horrible situation. I feel that anything I would say in favour of this legislation would be superfluous as obviously it is not going to be opposed but I feel secure in the knowledge that the government I support is indeed keeping faith with the people.

Mr. John B. Hamilton (York West): Mr. Speaker, I have listened to a great many remarks coming from your left and far right giving qualified support to this amending legislation. I do not think that simply because we sit to your right we should regard this solely as an achievement; I would much prefer tonight to think that this is a challenge and that starting from here we can go on to the point where we feel we have attended to all the needs of our senior citizens. I remember the remarks of the hon. member from Calgary South (Mr. Smith) who very forcibly pointed out that at any particular stage in the development of a country there is just so much which can go into this type of legislation. We have a serious problem if a great part of the gross national product is used in certain respects and in such a manner that it will will not produce and create further employment; then of course it is possible that the well of taxation will dry up.

I cannot help but recall being challenged on occasion at public meetings during the last eight or 10 months and being asked whether this party would approve pensions anywhere from $75 to $100 I think the most sane answer to this question is simply to say "If you were in a position where you might some day have the responsibility for fixing the amount then such estimates as are given and thrown across the floor at public meetings are the type which would have to be regarded in a very light manner."

I think that as matters now stand this legislation is doing as much in a cash way as this country can handle. I think, however that there are other things which are being done for senior citizens and other things which can be done in the future which will to a great extent alleviate some of their problems, particularly in these times of

comparative inflation. I am thinking that perhaps as we look to the future we might give more serious thought to the problems of housing accommodation.

What can be done in this matter has been brought very forcibly before me as I have seen the efforts in this direction in my own constituency. There I saw the co-operation of three levels of government—municipal, provincial and federal—providing class A1 accommodation for senior citizens at prices they can afford to pay. I think that in future we might direct our efforts along these lines to a greater extent.

In metropolitan Toronto, as a matter of fact, I think we have to pay great credit to the present hon. member for York South (Mr. Beech) who while he was reeve of York township led the way in the construction of the Beech Hall apartments in Weston; it was at municipal level that the leadership came from. We have an example of the same type of construction in York West. There we have the West Acres apartment project. This unit was constructed by the municipality of metropolitan Toronto at an approximate cost of $800,000. It consists of eight buildings of 16 suites each, making a total of 128 suites of which 64 are bachelor suites, a total capacity of 192 elderly people.

The important part about this is the rents that are charged for this type of accommodation. The bachelor suites are $33.50 plus hydro, $1.50, and water, 75 cents, making a total of $35.75 per month, and I would like to point out that equivalent accommodation in apartments in other areas immediately adjacent to this cost between $115 and $120 a month. The double suites are $40 plus hydro, $1.50, and water 75 cents, a total of $42.50 a month.

This indicates, in this case at least, that two can live as cheaply as one. The first unit in this building project was opened on February 1 this year, and the last unit was occupied in May. There is room on this site for the possible expansion of this project by another eight buildings. A similar unit is, I understand, under construction in North York and it is expected it will be ready for occupancy, in part at least, in 1958. This building will cost in excess of $900,000 and will be identical with the unit in my own constituency except that the rents are to be $40 for bachelor suites and $50 for double apartments, including hydro and water. At present in metropolitan Toronto we have a waiting list of approximately 1200 people for these apartments.

I should like to illustrate the method of financing the West Acres project. The province of Ontario contributed $64,000 on the basis of $500 per suite under the Elderly Persons' Housing Aid Act. Metropolitan Toronto contributed $170,000 as a long-term loan with interest only payable; Central Mortgage and Housing contributed $618,350 on a 50-year mortgage arrangement. It should be pointed out here with regard to this type of assistance for elderly persons that not one cent is chargeable to the federal administration. This money is totally repayable with interest. The province makes an outright gift towards the construction; the municipality lends the money and retains at the end of the period title to the property.

In times when there are terrific demands on the government here is a method by which we can improve the lot of elderly persons and at the same time improve prospects in the building trades. I do not think the kind of co-operation I have described could be devoted to any better purpose than this. As a matter of fact I believe that with the new attitude which is being exhibited to the provinces by the government we can expect that this is a type of co-operation which, in the net result, will produce a great deal more actual comfort for our senior citizens than probably any long arguments about this legislation tonight.

I would like to say in closing that no matter whether we sit on this side of the house or the other, let us take tonight as a starting point, let us not look to the past. Let us take credit for this as an achievement but at the same time let us regard it as a challenge.

Mr. Arnold Peters (Timiskaming): If the remarks we have heard, Mr. Speaker, were an indication that the hon. member for York West (Mr. Hamilton) and his party are going to recommend that something further be done for the old age pensioners in the form of housing developments which will take their income into consideration, then we will indeed be looking to the future rather than to the past. But as I have listened to the various comments which have been made about the government's proposal and the various rates of pension which have been discussed I believe that the member for Port Arthur (Mr. Fisher) was probably quite correct when he said we were running a bingo in this regard.

Before the last election took place many years had gone by during which the old age pensioner had not been well taken care of. If the rate was not a fair one, we should have been doing something about it in those years before the $6 increase was finally granted at election time. Since that was done the cost of living has again risen. It

has continued to rise, and now we are offering the old age pensioner $55. I suggest that $55 is not sufficient to bring the pension up to the standard of living which he had in 1949 when the $40 pension was in force, and I think the amount of $75 which we regard as a suitable rate should be justified.

In recommending any increase to the old age pension I think we must develop a means by which the rate can be tied in with the cost which the pensioner has to bear, and one of the ways in which he could do that could be found in the method of financing the pensions.

We have a limitation of 2 per cent with a maximum rate of $60 making this a contributory type of pension, to an extent, and I can see no justification, and I do not think the Canadian people can see any justification, when we reach that stage of $60 why the people who have the money to pay income tax no longer have to contribute any more than the $60. So I think we have been amiss when we have not made the suggestion that we take that little bit off and make it truly contributory. Those who are more able to pay should be allowed to do so.

If we have a pension plan which we have agreed is at least partially contributory it is obvious that the contributions have been made by our senior citizens who have produced the wealth of the nation and they should have some say about what they do with the small percentage of that wealth which we give them in the form of old age pensions and old age assistance. This being the case, I say that we cannot limit these people in terms of telling them where to live and what to do with their pension.

If an aged parent wishes to take up residence with his child in another country because he has no other close connection in Canada then he should be free to do so because of the right he has established by contributing to his pension. I think we should eliminate the requirement under which people must periodically return to Canada, to check in as it were, and re-establish residence here in order to continue receiving the old age pension. I believe they establish their residence in Canada during the years they live here and build up their pensions.

There are three points in this legislation, as I see it, and I am in complete agreement with the third which reduces the residence qualification for participation in the old age pension plan.

I would think the Canadian people are going to have to and will take a look at the financing of the pension plan. There is no reason at all to believe that the cost of living is not going to continue to climb. We have heard no solutions from the government with regard to inflation and monetary problems in general and, as was mentioned by the previous speaker, we have heard very little from the government as to what is being done to meet the housing problem. I am glad to have heard what was said this evening because I know in my own community in Ontario the minute this pension is increased every dime of it and in some cases more is taken off for rent, food, drugs and the other commodities the pensioner has to buy.

In my constituency we have a home for aged people run on a cost basis by a church as a non-profit organization. The pension is so low that the municipality must pay $15 in addition to the pension for the inmates of the home who cannot receive financial assistance from their children, relatives or friends. In the light of the constant increase in the cost of living the increase we are now providing will be eaten up in the way the increases granted in the past have been.

It is my opinion that we have an obligation to our senior citizens to closely scrutinize the financing of our old age pension plan with a view to bringing it into line with the cost of living and through the insertion of an escalator clause or by some other means providing for increases proportionate to the increase in the cost of living so that we will not have to wait until an election is held before the old age pensioner is given a pension adequate to meet his needs.

Miss Margaret Aitken (York-Humber): Mr. Speaker, I just want to say a word or two with regard to Bill No. 19. Unlike hon. members in the official opposition I can express my happiness about this legislation with considerable consistency because ever since coming into this house in 1953 I have advocated increases in old age pensions. On the other hand, my hon. friends in the opposition are being most inconsistent in expressing their views. I gather from their comments that they are going to support this bill but when they formed the government and were in a position to bring in these increases all they did was bring in an increase equivalent to 20 cents a day for old age pensioners. They seem to be full of criticism now which is of course their right and duty in the opposition but it is not exactly constructive criticism. However, as long as they vote for the bill and we get the increases through this month and into the hands of the pensioners, all will be well.

The hon. member for York West (Mr. Hamilton) spoke of the Beech Hall project

which happens to be in my constituency. We are very proud of it because it answers the need of our senior citizens for an independent and happy existence.

I am extremely pleased that the qualifying length of residence has been reduced from 20 to 10 years. There has been some criticism voiced both in the house and in the form of editorial comment across Canada about reducing the period of qualifying residence but I think we forget that the young adult immigrants who are coming to Canada bring with them their skills, trades and education. They represent no cost to Canada and we are inclined to lose sight of that fact. I have seen the figure $10,000 cited as representing what it costs Canadian taxpayers to educate one Canadian child, involving education, the baby bonus, health benefits and all these things. I believe the young immigrants who are coming to Canada will be a tremendous asset to this country. The older people who could not qualify for the 20-year residence period in large part are the parents of these young immigrants. I believe we owe it to these new Canadians that we consider them as Canadians.

There have been many injustices under the 20-year qualification period. One example in my own constituency is that of a woman who came here from Britain as a bride. She lived here for 30 years and raised and educated four children. Just before the last war she and her husband went to England for a holiday. The war came along and all four of her children who were grown up at that time entered and fought in the Canadian forces for Canada. The woman and her husband were forced to remain in England and eventually the husband died. The woman was unable to return until 1947 and because of the hiatus of seven or eight years in her residence in this country she could not qualify for the old age pension. The present legislation will remove the possibility of that sort of injustice occurring. I feel that this is a good bill that rights many existing wrongs and I give it my wholehearted support.

Some hon. Members: Question.

Mr. Speaker: May I inform the house that if the minister speaks at this time he will close the debate.

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, it occurs to me that I should have reserved my opening remarks on second reading for this stage of the debate. I think I answered at that time practically all the questions and arguments that had been raised in the discussion on second reading. However, I will attempt to answer one or two new angles that have been brought up.

[Miss Aitken.]

I would like to mention that while everybody seems definitely in favour of this bill the degree of variance ranges from one extreme to another. I would simply like to mention again the point I brought out in my opening remarks at this stage of the bill to the effect that if you carry these various conditions, such as the residence rule and permissible period of absence, to the ultimate extreme as has been suggested upon occasion you could readily create a situation wherein you would have a person coming to Canada at 69 years of age, staying one year and taking out of Canada a pension totally paid for except for one year by the Canadian taxpayers.

We believe we have reached a reasonable, sound, middle of the road course in these two provisions whereby we reduce the residence requirement from 20 to 10 years and increase the absence permissible from three to six months. We also, of course, believe that the $55 rate which we have set is the correct rate; after due consideration we believe that is the correct figure. We do not say it will meet every requirement—no. I do not think anybody could ever claim that and we do not pretend to, but what we do say is that in most cases, together with any private funds the senior citizen may have, this amount will meet the situation.

I should like to assure the hon. member for Welland (Mr. McMillan) that any increase in pensions are always passed on directly to the beneficiary involved. There may be private retirement plans which hinge on the amount of the old age security cheque. I am not saying there are not because I do not know particularly. All I can say is that the cheque issued by the government of Canada to the pensioners is in its full amount. If there are these other situations I would say that they should be looked at and brought to the attention of the public, as the hon. member has done tonight.

The hon. member for Kootenay West (Mr. Herridge), the hon. member for New Westminster (Mr. Hahn) and the hon. member for Parkdale (Mr. Maloney)—possibly there were others and if I have missed them I am sorry—have mentioned that if some pioneer Canadian citizen who has lived here all his life and has paid taxes in one form or another for years and years should at the age of 70 have to go south for his health he should be allowed to do so. I am inclined to think there is a great deal of merit in that suggestion. I certainly will be very happy to give it consideration as time goes on, but at the moment I do not see that we can do much about the matter without giving it considerable study.

Incidentally, the hon. member for Kootenay East (Mr. Byrne) mentioned a pro rata pension. I think that probably falls into the same category. The hon. member for Macleod (Mr. Hansell) claimed during the debate that these pensions should be made payable any place and he wondered how many had been cancelled during the period of the scheme. I may say that the total is roughly 2,500. I mentioned that earlier in my remarks.

The hon. member for St. Antoine-Westmount (Mr. Marler) seemed very concerned about where the money was going to come from for this measure. I would be happy to tell him, of course, that if the formula were being changed it would seem reasonable that an amendment should be included in the amendments at this time as the two-two-two formula is actually mentioned in the bill. But I would also refer him to section 11, subsection 3, of the Old Age Security Act, which is in these words:

> If the Minister of Finance is of opinion that the amount to the credit of the old age security fund is or will be less than the amount required to pay the pensions payable under this act, he may from time to time direct that amounts be credited to the fund by way of temporary loans and the amount of such loans shall be charged to the fund by way of repayment at such time as the Minister of Finance may direct.

Subsection 4 reads:

> The Minister of Finance shall annually report to parliament the temporary loans, if any, made to the fund pursuant to this section, and whether, in his opinion, the revenues of the fund are or will be sufficient in the ensuing year to meet the charges on the fund without further loans and, if it appears that the revenues will not be sufficient, he shall state what measures he recommends for the purpose of increasing the revenues of the fund.

I would suggest that the Minister of Finance (Mr. Fleming) will announce his procedure at the appropriate time. I might also point out, however, that there was a considerable surplus at the end of the last fiscal period, and when the former minister of transport suggests that we may endanger our defence effort I am positive that will not be the case and he may rest assured that indeed that will not be done.

It is a strange coincidence that the amount involved in the amendments contained in the bill approaches $110 million which is not very much more than the amount used out of last year's revenues, namely $100 million, to set up the Canada Council.

Mr. Marler: Which the hon. member supported.

Mr. Monteith: In this instance the $110 million is not going to the Canada Council, it is going to the senior citizens of the Dominion of Canada.

An hon. Member: That was a capital fund.

Mr. Monteith: It came out of surplus.

Mr. Marler: Nonsense, it did not come out of surplus at all.

Mr. Monteith: Your surplus would have been much larger if you had not charged up that amount. There was one question raised by the hon. member for Vancouver East (Mr. Winch). He wondered how the matter of the six months absence from Canada would work. Actually in the past the act has been interpreted to mean that there could be three months clear absence from Canada. In other words, a person could leave Canada in January and could be away for February, March and April and would then have three months absence. He actually receives his cheque for the month he leaves Canada and does not receive a cheque thereafter until he returns. But if he returns within the appropriate time he is then paid all the cheques for the period in which he was absent from Canada. That position is going to continue except that the period is to be extended to six months.

I think there was a question in the mind of the hon. member for Vancouver East concerning a person who might leave Canada this month, we will say. According to the amendment, he has until the 31st or last day of the sixth month succeeding this month to return to Canada. He would start out this year and use up December. The first month in which he leaves does not count but he would have to count December of this year and could continue to stay away for the first five months of next year. Provided he was home on the 31st day of May there would be no penalty. His cheques would be paid to him which had been held back during his absence. Then he has one month still to go. He could still absent himself during November, 1958 and be away in December of that year.

I do not know, Mr. Speaker, whether I have answered all the questions but I feel that I have. After all, as I said before, I think I actually answered them in my opening remarks.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Courtemanche in the chair.

Clause 1 agreed to.

On clause 2—*Suspension of pension.*

Mr. Marler: I should like to draw to the attention of the minister two points in connection with the drafting of the revised subsection 1 of section 5. I should point out that in the first part of this subsection provision is made for the case of a pensioner who absents himself from Canada for a period in

excess of one month, and provision is made that payment of his pension will be suspended immediately following the payment for the month in which he so absents himself, but may be resumed when the pensioner returns.

The second part says:

—where the pensioner returns to Canada within six months from the last day of the first month in which he so absented himself from Canada, the pension upon being resumed may also be paid for the period during which he so absented himself,—

These are the words I want to draw to the attention of the minister.

—but not exceeding a total of six months in any calendar year.

Now, it seems to me to be very clear, Mr. Chairman, that what is intended by this language is that the period of absence must not for the purpose of pension exceed six months. From the language here one would almost believe that regardless of what happened the total amount of instalments that might be paid to the pensioner was not to exceed six months in any calendar year. Perhaps I have not made myself quite clear. If a pensioner absents himself for just less than six months, I take it that it is the intention that he should have his pension not only for the six months he remains in Canada but also the six months during which he is absent. However, the language almost suggests that in the event of his being away for these six months the total payments will be —I draw attention to the last line—"not exceeding a total of six months in any calendar year".

It seems to me, in reading the section that that might almost limit all of the payments the pensioner was to receive to six months, whereas I conceive it to be the intention that if his absences do not exceed six months he receives payment for the six months he was in Canada and likewise for the six months he was absent, provided he meets the other conditions of the subsection. I should like to draw the minister's attention to the wording. It seems to me that if the wording were to refer more clearly to the period it would leave room for no doubt as to what the pensioner was to receive.

Mr. Monteith: I think if the hon. member would examine the clause he will see that it refers to the pension being resumed; it may also be paid for the period during which he so absented himself, but not exceeding a total of six months in any calendar year. Obviously that is meant to apply to the period of absence.

Mr. Marler: I agree with the minister as to what the intention is, but I am wondering whether the language expresses that intention as clearly as it ought to be expressed.

Mr. Monteith: Well, Mr. Chairman, in some of these things I have to admit we go by what the law officers of the crown say. They are responsible for drafting this bill to meet the intentions of the government. The clause reads in part:

—six months from the last day of the first month in which he so absented himself from Canada, the pension upon being resumed may also be paid for the period during which he so absented himself, but not exceeding a total of six months in any calendar year.

The wording is somewhat changed from the previous subsection which it replaces, but at the same time I am led to believe it meets the requirements of and the intent behind the legislation. In my opinion, it seems reasonable.

Mr. Marler: It seems to me that if one looks at the wording of the present subsection, it concludes with these words:

—the pension upon being resumed may also be paid for a period of such absence not exceeding three months in any calendar year.

It seems to me that the language of that section does not admit of any possible doubt, whereas by changing the language, as has been done in this subsection, it does seem to give rise to doubt as to what is in mind.

Mr. Winch: I must admit that I, too, find myself a little confused. I have not got it completely clear yet, from a reading of this section, especially the latter part of it, where it says:

—the pension upon being resumed may also be paid for the period during which he so absented himself, but not exceeding a total of six months in any calendar year.

Now, would that stop a person being away October, November and December of this year, that is three months, and then being away three months in the first part of the next year because those three months would not be in the same calendar year?

Mr. Monteith: He would have to return by March 31 next year, then he could subsequently go away again but he cannot be out of Canada for more than six consecutive months, except that the month in which he so absents himself does not count.

Mr. Winch: If a person were away October, November and December of this year, January, February and March of next year, and then came back for one day, he could then go away for another three months because that is in the next calendar year?

Mr. Monteith: That is right.

Mr. Marler: The curious part of this section is that it does not seem to coincide with what the minister has, I suggest in good faith,

been telling us during the discussion on second reading. As I understood him, he explained that one of the purposes of the bill was to permit a pensioner to be absent from Canada provided his absence did not exceed six months in a calendar year, but the situation that we are now finding embodied in this bill is not that he may be away for six months in a calendar year, but that he may not be away for more than six consecutive months in any twelve-month period?

Mr. Monteith: No.

Mr. Marler: I think that is quite clear. Let us look at the hypothetical case mentioned by the hon. member for Vancouver East. He says, supposing a pensioner leaves Canada on the 1st of October and is absent in that particular calendar year—assuming he was not absent before October—for three months. In the next succeeding calendar year the minister says he must be back by March 31. Why is that? His absence in that calendar year may only be five months, if he returns at the end of May, but he certainly qualifies for not being absent for more than six months in that calendar year. Yet, as I understand this section, and the minister's interpretation is quite correct, it does not conform with his explanation and the person must come back so that the period of absence does not exceed six months in a twelve-month period. I want to point out that what we have been talking about during the debate has been a six months' absence in a calendar year.

Mr. Monteith: He still does get a six months-absence in a calendar year. He may not be able to use it consecutively because, for argument's sake, being away the last three months of 1957, and not being able to be absent for a period of from four to six months, he must return by March 31. But he still has three more months; in fact, he has four; he has three plus the number of days he leaves in the preceeding month. He still has that period to go in 1958, although I admit he must return on March 31 because he has presumably been away a succeeding total of six months.

Mr. Ellis: I wonder whether I might ask the minister this question. In view of the objection he raised to permitting unlimited absence from the country, what is the significance of that one day? Does he feel that because a pensioner is in a position where he might be able to travel back to Canadian soil for a period of 24 hours, by virtue of that fact he becomes eligible to draw pension?

Mr. Monteith: I think the whole thought behind the act is lost when that matter is brought into consideration. In the amendment we are saying—this is exactly the same as it was before except it is extended beyond six months—that a person cannot be absent any more than six months without having to return to Canada. All right, you say, for argument's sake, he can come back on January 31, having been away five months in the previous year. He can come back on January 31 and spend one day, leave again on February 1 and stay another five months. That is quite so. But at the same time we must have some limitation; and we choose to believe that the six-month period is actually the figure that should be used at this time.

Mr. Stuart (Charlotte): The minister mentioned returning for one day. It would seem to me to be most unreasonable to say to a pensioner who was in Florida that he must pay his fare and all the expenses connected with such a trip in order to come back to Canada for one day. I ask that as a question. Would it seem reasonable to go to all of the expense to come here to Canada for one day which would qualify him for another three or four months in the south?

Mr. Monteith: I think I understand what are the hon. member's thoughts, but in the present legislation there is provision that he could be away for three months—for argument's sake, say the last three months in 1957—and have to come back for one day before he can go away for another three months. This is simply extending the period. He can be away the last six months in 1957, come back for January 1 and be away for the first six months in 1958.

Mr. Stuart (Charlotte): I do not question this provision being in the other bill but I still think it is unreasonable to expect an old age pensioner receiving $55 a month to return to Canada when the cost to come to Canada and return might be $200. To me it would seem to be unreasonable.

Mr. Monteith: It would appear to me that a person who has been in Florida, can afford it. I am not saying that everybody who goes south is one who can afford it but I believe that quite a few people who go down there, shall I say, for six months and return for a day and go back for six months can probably afford to do it for the one day.

Mr. Martin (Timmins): In line with the point raised by the hon. member over to my right,—I am not too sure which riding he represents—

An hon. Member: Charlotte.

Mr. Martin (Timmins):—I think the wording of that particular section is a bit confusing. According to the explanation we have had

from the minister, it means in essence that he cannot be away for more than six consecutive months.

Mr. Monteith: That is right; that is the intent of it.

Mr. Martin (Timmins): But it is a total of six months in one calendar year. Those are two entirely different meanings.

Mr. Monteith: Will the hon. member repeat that question, please?

Mr. Martin (Timmins): The last line reads as follows:

—but not exceed a total of six months in any calendar year.

To take the wording literally it could mean that, in the hypothetical case that was raised, you could be away the last six months of this year, that is the last six months of 1957, and the first six months of 1958.

Mr. Monteith: Provided that you returned for one day.

Mr. Martin (Timmins): You would not be over six months in either of the two calendar years. But according to the explanation given by the minister, it means that you cannot be away for more than six consecutive months, regardless of which year it is.

Mr. Monteith: That is not quite correct. The intent behind the amendment is that he cannot be away for more than six months. Mind you, he can be away for six months plus 29 days but that is the limit.

Mr. Johnston (Bow River): It seems clear from the legislation that if a pensioner decides to leave the country he cannot receive any moneys at all until he has returned. Then if there is any back pay owing, he gets it. It seems to me that if a person who is in receipt of old age pension, and who for that reason would not have any surplus supply of money, is going away say to a warmer climate, as for instance down to Florida, to live, and who needs this money from his pension, he should get it. How in the world is he ever going to be able to stay there if he receives none of his pension in the period between the time he leaves and the time he comes back? Surely it would not do him much good otherwise. He would never have an opportunity to save enough money to pay his expenses down there for six months. If he could do so, he would not need the pension. The very fact that he needs the pension, and needs it every month, seems to me to be sufficient reason to pay him on a monthly basis.

Mr. Monteith: I do not think we could do much about paying a pensioner when he was absent. If you continued to pay his cheque during his absence he certainly would stay his full six months and there is no reason why he should not do so. By the amendment he is quite entitled to do that. But if he then did not come back to Canada we would be "out" the five months' cheques. We pay him his first month, the month in which he absents himself. From an administrative angle, it usually takes a few weeks to find out actually that the person is absent. Then the cheques are no longer mailed to him until he returns. It is true that maybe he has reason to have that money while he is still south in Florida or wherever it may be. If so, maybe he can save those cheques and use them to go south next year. But from an administrative angle I do not see how we could very well do otherwise. After all, we must protect our own situation.

Mr. Johnston (Bow River): The minister just pointed out a few moments ago that in all the time that pension has been in operation there were only something like 2,500 persons who had left and not returned.

Mr. Monteith: That is one of the reasons; because this clause was in force.

Mr. Johnston (Bow River): In all of the time that this pension has been operative there have been only 2,500 who have not returned. But you are going to penalize the other pensioners because a few decided not to return. I really cannot think that is a good reason for penalizing all these other pensioners who are desirous of leaving the country, probably for health purposes, just because one or two may decide not to return. I think the government should give the matter further consideration and should make it possible for our old age pensioners to go away, enjoy their pension, then come back at the end of six months, and the next year they can go ahead and do the same thing. The pensioner will have a mighty hard time in saving up his pension cheques, even though he is living here, so as to have enough money put aside to go on a trip for six months.

Mr. Cameron: I cannot see what argument the minister has for withholding the pension cheque merely because of fear that the man may decide not to some back. What difference does it make? If he does not come back at the end of six months, all right, he is cut off according to your amendment. But what possible reason is there for not paying him for that six months during which you say he is entitled to be out of the country? What administrative difficulty is there? Is it so difficult to put a stamp on a letter to the United States? I do not see how the minister can present any argument at all.

Mr. Winch: What I have to say is along the same line. In the first month that the old age pensioner goes outside of Canada he gets his cheque. According to the minister, he gets his cheque for the month that he goes out and he gets it as a right because it is his pension. But it is also his pension for six months. He only loses it as a right if he does not come back in six months but the first six months of his pension is a right. The five months is just as much a right as the first month so why cannot the pensioner get it? I am afraid the hon. minister is not making sense.

Mr. Monteith: Well could I point out the following instance: if this person left the country ostensibly with the thought of returning in three to six months, as long as he is within the legal limit he is paid his cheque each month. However, if he decides to stay eight months then how could we recover the six months he had recevied?

Mr. Winch: Why should you want to recover the six months? That is his by right.

Mr. Monteith: Because he owes us six months.

Mr. Cameron: Why do you say he owes it to you; that is not your money it is his.

Mr. Monteith: Not if he stays over the six months. That is not his right. He is not entitled to any one of those eight months he stays away over the six months.

Mr. Cameron: What makes you say that, I do not see why?

Mr. Ellis: Mr. Chairman, on this point; if a pensioner leaves Canada and goes to Arizona for reasons of health, spends six months down there and is unable to return because of his ill health, then that pensioner is being robbed of his right. He is being robbed of five months' pension. On the other hand if his health permits him to return to the country for one day then he can recover the amount of the cheques. This does not seem to me to be a very fair provision; it discriminates against persons who by virtue of their ill health are unable to return to Canada at the end of the six months period. If they have earned that pension by right and have decided for their own reasons to stay down there permanently, of course they are cut out and the treasury of Canada is no longer required to pay them any pensions for the balance of the time after the six months. In other words it seems to me that this provision is designed for one purpose only and that is to make sure those people who do not return are denied their pension cheques for five months. I can see no other reason for the wording of the provision as it now stands in the bill.

An hon. Member: If you do not like it vote against it.

Mr. Stuart (Charlotte): In reply, Mr. Chairman, the minister insinuated that any person who was able to go to Florida for six months could afford to go back and forth any time he wished.

Mr. Monteith: No I did not.

Mr. Stuart (Charlotte): Well I got that impression.

Mr. Monteith: Do not put words into my mouth.

Mr. Stuart (Charlotte): I have in mind a case of a gentleman and his wife whom I know very very well. He is a retired banker with a very small pension and has a very serious heart condition. His doctor advises him that he must not stay in a cold climate in winter time. This is the case I had in mind when I was speaking previously. Now for his wife and himself to go to Florida and for the matter of one day to be compelled to come back to Canada in order to qualify seems to me unreasonable. I do not question this was in the old act; I do not say it was not for one moment. However, even if it was in the old act I say that it is still wrong to compel a couple to come back to Canada, and put them to the expense of travelling back and forth simply to be here for one day in order to qualify for another three months down there. It does not seem reasonable to me at all.

Mr. Monteith: If I might point this out, my hon. friend's friend will at least have twice as long out of the country now as he did before without it being necessary for him to come back. As I mentioned earlier when I was closing the debate on second reading, there are probably certain things to be done, such as the possibility of giving consideration to pioneer Canadians who have lived all their lives in Canada and have given years of service, paid taxes and so on.

There may be other sections of the act which require consideration but at the moment we are simply changing these three fundamental clauses, these three fundamental points. We are raising the pension from $46 to $55; reducing the residence period requirement from 20 to 10 years, and increasing the period of permissible absence from three to six months. Now there may be other things to be considered and I am not saying there are not. There are the regulations with the province which I think should be examined but which I have not had an

opportunity or quite frankly the time to examine. I have not been in office long enough but I am quite willing to consider these things as time goes on. However, as I say, at the moment we just have to accept the fact that these are the three fundamental changes which are required.

Mr. Stuart (Charlotte): The particular change I have in mind is with respect to a person who would normally go away in say October or November. I am not thinking of the person who would go in January and stay away for six months or the next year—I think that is most reasonable—but I am thinking of the person who must be away during cold weather for reasons of health and leaves Canada for instance on the first of October; they are in Florida or some other country during October, November and December and they do not return to Canada until April 30.

Mr. Monteith: They do not have to.

Mr. Stuart (Charlotte): You said a few moments ago they could not have over six months.

Mr. Monteith: If he returns on April 30 he is quite within his rights.

Mr. Stuart (Charlotte): That is right, I do not question that.

Mr. Monteith: If he leaves October 30 and returns April 30.

Mr. Stuart (Charlotte): Well he has to come back on the first of April and be in Canada for one day and then go back for two more months. I still think it is unreasonable.

Mr. Aiken: I think the hon. member has overlooked the fact that the spirit and intention of the act is that a person shall be allowed to stay out of Canada for six months. If he is going to come back to Canada for a day we would have to assume that he was merely coming back in a technical sense only.

An hon. Member: To get his cheque.

Mr. Aiken: To get around the provisions of the statute and in that case he would be coming back for a technical purpose but not to carry out the intention of the act. I would think in those circumstances if he felt like coming back he would be within his rights to do so, but it would be at his own expense.

Mr. Herridge: This is a departure from the principle established in the present section of the Old Age Security Act which reads as follows:

> Where a pensioner absents himself from Canada, payment of his pension shall be suspended immediately following the payment for the month in which he so absents himself, but may be resumed when the pensioner returns; and, where a pensioner returns to Canada within six months from the time he left Canada the pension upon being resumed may be also paid for a period of such absence not exceeding three months in any calendar year.

I understood that it was the practice that a pensioner could be away three months in one year or three months in the next or a total of six months and obtain his full pension upon return. I am of the opinion that this clause is more restrictive and departs from the principle which has been in effect since the act was first passed in this house.

Mr. McMillan: Mr. Chairman, I think under the old legislation there were cases where people were out of the country for a period of six months. I quite clearly recall an asthmatic case who went to Arizona in the last three months of the year and he stayed there until the end of March. I think upon his return he got his pension for the whole six months period. Now probably that was against the law so I should not reveal his name, but I still think that under the old act he could obtain his old age pension for three months in any calendar year.

Mr. Peters: Mr. Chairman, could I ask the minister if a person goes out of the country and stays away for eight months and then returns to Canada—assuming for medical reasons or something of that kind he had overstayed the six months period, coming back at the end of eight or nine months or even after a year—how long would he have to be in residence in Canada again before being entitled to further payments of the old age pension?

Mr. Monteith: They are reinstated the month in which they return.

Mr. Irwin: Can we assume that the calendar year is from January 1 to December 31 in any year?

Mr. Monteith: A calendar year, yes.

Mr. Irwin: So a person, according to the minister, can actually be away for seven months? In view of the fact that a person gets his pension at the end of September—the 28th or 30th—he can be away in October, November, December, January, February, returning here in March; there would be nothing to stop him doing that and leaving shortly afterwards. Is that correct?

Mr. Monteith: That is correct.

Mr. Irwin: Why does the minister want to keep these people from getting a pension? So far as I am concerned we are giving these people aged 70 and over a pension because they are 70 years of age. If they

are getting that pension because they are 70 years of age what the dickens difference does it make where they live?

Mr. Marler: I just want to say, before we close the discussion, that I think our difficulty over this clause arises from the fact that throughout the discussion we had been led to understand that the bill would permit absences of six months in any calendar year, whereas we find it does not have exactly that effect. Unfortunately it has the effect of limiting the absence of a pensioner to not more than six months in any 12-month period.

Mr. Monteith: No.

Mr. Marler: Well, let us say it puts a practical difficulty in the way of somebody staying out of the country for more than six months plus the additional month of departure, and it seems to me the minister ought to look at the clause and see whether it would not be possible to make the language clear so that somebody who perhaps has legitimate grounds for leaving the country during the winter months is not forced to go through what one hon. member referred to a moment ago as a technical return. It seems to me that the main provision is that the limitation should not exceed six months in any calendar year. I cannot see any difficulty whether he has his absences all together over a 12-month period or not, provided they do not exceed six months in any calendar year, but the procedure of going back every six or seven months to be able to establish his return to Canada and complete six months residence in that calendar year seems unjustified and farcical.

Mr. Hansell: Mr. Chairman, I rather agree with the hon. member who has just spoken, but for another reason. There seems to be an unfairness about this one-day return. For instance, let us take a person who lives in Toronto, who goes over to Buffalo and has to return for one day to establish his residence. It is no trouble for such a person to come back to Canada. But let us consider another person who lives here in Ottawa and who goes to Florida. That is a different matter; he has to return a long way just for the sake of one day to establish his residence. Some hon. members may say that it is a very small thing, but there is a distinction here, an unfairness as between one citizen and another.

Mr. Monteith: They are all the same.

Mr. Hansell: No, a man who has to come back from Florida or from England is in a different position. Supposing a man goes to England. Does he have to come back for the sake of one day? He does. So he is placed at very much of a disadvantage compared with another person who has to make a much shorter journey. As I say, there is unfairness between citizens, depending on how far they go away. It is all right to go across the line from Vancouver to Seattle and come back for a day, but a person who leaves Vancouver to go to England cannot come back for a day so easily.

Mr. Herridge: Will the minister tell the house what is the value of causing an old age pensioner this extra expense in order to make a technical return of one day in order to qualify for another six month's eligibility for pension?

Mr. Monteith: If you made it one year—if you made it two years, you would still need to have a return period, be it only one day. There was a return period prescribed under the three months legislation which had been in existence for some time. Now we are doubling that period of absence, but we still retain the one day requirement and I would venture to say that there are very few, if any, who contemplate returning for the one day. I venture to say that under this legislation a person leaving on October 1 can stay away till April 30, and I cannot imagine anything more reasonable than that.

Mr. Herridge: Mr. Chairman, I am informed that they were not required to return in the three months, because under the terms of the act I can recall several people who were away for six months and who did not return, because they used three months at the end of one year and three months at the beginning of the next.

Mr. Monteith: Under the previous legislation I understand they could not go away for two years, if they had done this.

Mr. Ellis: Mr. Chairman, the explanatory note in the bill to this subsection reads as follows:

> Where a pensioner absents himself from Canada, payment of his pension shall be suspended immediately following the payment for the month in which he so absents himself, but may be resumed when the pensioner returns; and where the pensioner returns to Canada within six months from the time he left Canada, the pension upon being resumed may also be paid for a period of such absence not exceeding three months in any calendar year.

As I read that it means that if a pensioner goes out of the country on October 1 and returns before the end of March he may receive his full six months pension with respect to the three months of the calendar year, October, November and December, and for the three months of January, February and March. So it was possible under the old

legislation for a pensioner to be absent from the country for the full six months without having to return to Canada during that period.

Mr. Monteith: He did, however, use up two years of rights; he could not go away the succeeding October and remain away without losing his benefits.

Mr. Quelch: I gather that the minister's main objection to paying an old age pensioner by the month while he is still away is the possibility that that pensioner may have no intention of returning. In other words, the pensioner might possibly have sold his house and decided to take up residence in another country to which the pension would be sent. I agree with the minister that in a case like that, that if a person had ended his domicile in this country, sold his house and made up his mind to live in another country, then the pension should not be paid.

On the other hand there might be cases of old age pensioners who own houses in this country and who fully intend to return. It seems to me there is a difference between the two situations. It seems to me it would be a comparatively easy thing for the minister to be assured that a pensioner intended to return. If he had property in this country he could give some form of guarantee that he intended to come back, otherwise the cost of that pension could be taken from the value of the house.

Mr. Bell (Carleton): What guarantee could he give if he had no property?

Mr. Quelch: I am thinking of the man who has some property.

Mr. Bell (Carleton): We are thinking of the people who have no property.

Mr. Quelch: At least the department could get security from a pensioner who does own property in this country; it could go that far.

Mr. Monteith: I did say earlier, and it is quite true, that we do not pay a pensioner beyond the month in which he absents himself, because if he did happen to stay two or three months longer we would have the job of collecting. I am sure every hon. member of this house has had lots of letters from constituents from whom certain amounts have had to be collected, and they know how they are received. After all, collecting these sums is a very unpopular course. This particular course, however, does not seem to be unpopular among the beneficiaries. Experience has shown that, and it is a lot worse to try to collect afterwards. We are protecting the beneficiary from having to pay that backlog.

[Mr. Ellis.]

Mr. Byrne: Mr. Chairman, in order to overcome what seems to be the most serious objection to this clause, I wonder if the minister would consider amending it so that in the event a person was required to stay away for more than six months because of illness and then returned within a 12-month period intending to establish residence again he would be paid the full six months during which he was away. The cut-off date would be a full year and if he returned within a year he would be paid for the six months' absence.

Mr. Monteith: Mr. Chairman, I mentioned earlier that there were certain things to which I would be happy to give consideration and this is one of them but I do not feel this is the time to give that consideration. I think it has to be thought out very clearly and well.

Mr. Low: Mr. Chairman, I think I can appreciate something of the problem the minister faces from an administrative point of view, if for no other reason, which perhaps makes him hesitate at this time to consider making the pension payable as of right no matter where the pensioner may be. I think there are quite a number of administrative difficulties involved. I know some of them because I have had experience in administering pensions in the province and these problems would be ten times as great in the federal field.

I suppose we should be asking the former minister of national health and welfare concerning the philosophy behind the provision that exists requiring a return to Canada and withholding of the pension in the absence of the pensioner during the three or six month period during which he may be away because that was established by the Liberal administration and I am not in a position now to ask the former minister about that background.

I would certainly suggest to the new minister that in the next year or two he give consideration to the suggestion that has been made and see if the administrative difficulties can be overcome so the pension will be payable as of right no matter where the pensioner lives. I believe the minister said that approximately 2,500 pensioners had been cut off over the years in the past. It may be necessary to conduct some sort of survey to determine what has happened to them and what kind of problems were involved in their moving around.

If the minister would give an undertaking that he will give this matter consideration perhaps with a view to changing the act again at some not too distant future date I would be quite content to have the bill

put through in its present form. As I understand it, what we are doing here is simply extending the practice of the past but we are giving a six-month leave of absence rather than a three-month leave of absence. Under the old clause, as I understand it, a person could be away for six months without disqualifying himself but upon his return to the country all he could claim was a payment of pension for three months. Under the present scheme if he leaves for six months and then returns he can claim the whole of the six months under the regulations. It is an improvement, believe me.

If the minister cannot see his way clear to making the change that is requested now, if he will give me an undertaking that he will study the matter with a view to changing the system in the future I will, as I said, be prepared to let the bill pass in this form.

Mr. Herridge: Mr. Chairman, the hon. member for Peace River is not quite correct—

The Chairman: Order. I recognize the hon. member for Timmins.

Mr. Herridge: I am sorry, Mr. Chairman, I misunderstood you.

Mr. Martin (Timmins): I wonder if the minister could explain to me why it is more difficult to administer this plan by cutting off at the end of six months rather than at the end of one month. I cannot see how there would be any greater difficulty in the administration of the act.

Mr. Monteith: Because, Mr. Chairman, if a pensioner stays away the extra month or two he is not entitled to the six months during which he was absent. He has to return in order to be entitled to the months in which he was absent. Then, too, you might have the job of collecting and he might not be in this country.

Mr. Cameron: It does not apply to the first month.

Mr. Monteith: No, because the first month is free.

Mr. Cameron: Oh no, it is not; it is a total of six months.

Mr. Monteith: He is entitled to the month in which he absents himself.

Mr. Cameron: But you only pay for a total of six months, not seven months.

Mr. Monteith: But he is entitled to the month in which he absents himself.

Mr. Herridge: Mr. Chairman, I just rise to suggest that the hon. member for Peace River was not quite correct in saying this is the same as the old practice. This is a departure in principle from the administration of the previous government.

Mr. Low: In what way?

Mr. Herridge: Because the pensioner could stay away for three months and then for an additional three-month period providing it fell at the beginning and end of a year and could collect his whole pension when he returned.

Mr. Low: No, he could only claim for three months in each calendar year.

Mr. Monteith: He could go away that autumn.

Mr. Herridge: The hon. member for Peace River suggested that the minister give consideration to this matter in the next year or two with a view to bringing in an amendment. I would suggest he give it consideration in the next month or two.

Mr. Barnett: Mr. Chairman, I think the minister has already made it clear that the consideration involved in this matter of not carrying on the pension payment during the period the pensioner is absent is not one of administrative difficulty. Apparently he has made it clear that he is prepared to deny the rights of pensioners to be absent from Canada for more than the month in which they go away as a matter of right. I wonder if the minister could give us an idea of what he estimates would be the drain on the treasury of Canada if that period of absence were granted as a right and the pension payments were continued up to the period which he proposes of six months.

I think it has become obvious during this discussion that the whole impact of these restrictions is going to rest upon the people who depend primarily upon the old age pension. The problem of coming back for a day for a week or longer is not a serious matter to the person who has other means but this is not the case with the person who because of health or family connections wants to reside outside of Canada and is dependent almost entirely upon the pension. Such people are really caught in the bite with regard to this matter.

It seems to me it is all very well for the minister to say this is a matter to which he will give consideration in the future. We all recognize that the minister has not been in office very long as yet and there may be a great many matters to which he has not had an opportunity of giving adequate study, but at the same time I would point out that this particular matter is not a new one for this house. It has been the subject of pretty

thorough discussion, certainly in every session during the time I have been here, and the minister should not be unfamiliar with it.

It seems to me that having gone as far as he has the minister might have gone one little step further, unless he can convince us it is going to make such a great drain upon the treasury that the matter of extending this right would bankrupt the government of Canada.

Mr. Monteith: May I simply say, Mr. Chairman, there could be an amount of roughly $4 million which might have to be collected.

Clause agreed to.

Clause 3 agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall this bill be read the third time?

Mr. Byrne: Next sitting.

Some hon. Members: Now.

An hon. Member: Ten o'clock.

Mr. Speaker: Now, by leave?

Some hon. Members: By leave.

Mr. Monteith moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

BUSINESS OF THE HOUSE

Mr. Marler: What will be the business of the house tomorrow?

Mr. Brooks: Tomorrow we will take second reading of the bill to amend the Old Age Assistance Act, second reading of the bill to amend the Blind Persons Act, the resolution respecting the Disabled Persons Act, the resolutions standing in the name of the Minister of Veterans Affairs, and then the throne speech debate.

At ten 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:

ST. LAWRENCE SEAWAY—TOLL CHARGES

Question No. 6—**Mr. Chevrier:**

1. Will tolls be charged on the St. Lawrence seaway?
2. If so, how will the amount of the toll be arrived at?
3. Will it be on a cargo basis, on a net registered ton basis, or on a commodity basis?
4. Will tolls be charged on the Welland ship canal?
5. Where will tolls be collected, for upbound vessels, for downbound vessels?
6. Has a tolls committee been established by Canada and the United States to study and report upon the subject?
7. If so, who are the members of this committee, United States section, Canadian section?
8. How many meetings have been held since their establishment?
9. Have they agreed upon (a) the method of assessing tolls; (b) the amount of expenditure to be amortised; (c) the points where tolls are to be collected; (d) whether tolls shall be collected jointly by the two countries, separately by each country or by Canada on behalf of both countries?

Answer by: **Hon. George H. Hees (Minister of Transport):**

The St. Lawrence seaway authority advises as follows:

1. The St. Lawrence Seaway Authority Act as enacted in 1951 prescribes the imposition of tolls for the use of the seaway between Montreal and lake Erie.

2 and 3. No official decision made.

4. See answer to No. 1.

5. No official decision made.

6. Yes.

7. United States committee: Mr. E. Reece Harrill, chairman; Dr. Charles A. Taff; Mr. Edward A. Bacon.

Canadian committee: Mr. J. C. Lessard, chairman; Mr. G. A. Scott; Col. D. F. Purves.

8. Approximately twenty (20).

9. (a), (b), (c), and (d) No official decision made.

ST. LAWRENCE SEAWAY—USE OF PRESENT CANALS

Question No. 7—**Mr. Chevrier:**

1. When the seaway is opened what will happen to the following canals: (a) the Lachine canal; (b) the Soulanges canal; (c) the Cornwall canal?
2. Will all or any of them be closed to traffic?
3. Will tolls be charged on any of those remaining open?
4. (a) Will ships be able to sail through the Lachine canal by-passing the 27-foot facilities on the south shore?

(b) If not, will the upstream end of the canal be blocked to ship traffic?

(c) Will industry along its shores continue to be serviced by canaller type vessels?

Questions

5. Will ships be able to navigate the Cornwall canal; how far upstream will they be able to proceed, and will industry and other commercial enterprises along its shores continue to be serviced by canaller type vessels?

Answer by: **Hon. George H. Hees (Minister of Transport):**

The St. Lawrence seaway authority advises as follows:

1. (a) The intention is that the Lachine canal be closed to through traffic; (b) the intention is that the Soulanges canal be closed to traffic; (c) the Cornwall canal will be submerged above the Barnhart powerhouse dyke.

2. See answer to No. 1.

3. No.

4. (a) No; (b) see answer to No. 1 (a); (c) yes.

5. See answer to No. 1 (c).

ST. LAWRENCE SEAWAY—LAND EXPROPRIATIONS

Question No. 8—**Mr. Chevrier:**

1. What quantity of land was expropriated by the St. Lawrence seaway authority in the Lachine section, (a) Indian lands; (b) other than Indian lands?
2. What price was paid per acre (average) to the individual owners of (a) Indian lands; (b) other than Indian lands?
3. Will all the land expropriated in this area be used for the operation of the 27-foot ship channel? If not, how much will be used for (a) the ship channel; (b) park and recreational purpose; (c) wharves; (d) industrial development; (e) turning basins?
4. What plans have been evolved by the seaway authority to permit industrial development on the south shore upon lands expropriated by it and not required for operation of 27-foot facilities?
5. Has a committee been established to investigate and report upon the orderly development on the south shore and to co-ordinate all government agencies toward this end?
6. If so, who are the members of such committee?
7. When were they established?
8. How often have they met?
9. What have they recommended?

Answer by: **Hon. George H. Hees (Minister of Transport):**

The St. Lawrence seaway authority advises as follows:

1. (a) 1,347 acres approximately; (b) deep water and beach lots: 3,393 acres approximately; land: 2,115 acres approximately.

2. The compensation paid to each individual owner includes the value of the land and the improvements thereupon as well as all damages and it is not practical to give an average price per acre.

3 and 4. All the land expropriated is to be used for the purpose of the St. Lawrence Seaway Authority Act.

5. Yes.

6. B. J. Roberts, national harbours board—chairman; C. S. Booth, assistant deputy minister, Department of Transport; W. C. Hymus, commissioner of development, Canadian National Railways; C. W. West, member, St. Lawrence seaway authority; Guy Beaudet, port manager, Montreal harbour.

7. September 21, 1955.

8. Two meetings were held.

9. No recommendation made as yet.

ST. LAWRENCE SEAWAY—IROQUOIS POINT EXPROPRIATIONS

Question No. 9—**Mr. Chevrier:**

1. What quantity of land was expropriated by the seaway authority at Iroquois point?
2. How much of the land expropriated has been settled with the individual owner, and how much is unsettled?
3. What price was paid per acre (average) in the settled cases?
4. Will all the land expropriated in the area be used for the operation of the canal and lock? If not, how much will be used for (a) the canal and lock; (b) park and recreational purpose; (c) wharves; (d) industrial development?
5. Will the old canal now operating for 14-foot craft be filled in? If so, when?

Answer by: **Hon. George H. Hees (Minister of Transport):**

The St. Lawrence seaway authority advises as follows:

1. 230 acres approximately.

2. Land expropriated for which settlements have been made—120 acres more or less. Land expropriated for which no settlement has been made—110 acres more or less.

3. The compensation paid to each individual owner includes the value of the land and the improvements thereupon as well as all damages and it is not practical to give an average price per acre.

4. All the land expropriated is to be used for the purposes of the St. Lawrence Seaway Authority Act.

5. No decision taken as yet.

LAND EXPROPRIATIONS, CORNWALL

Question No. 21—**Mr. Chevrier:**

1. How much land did the Department of Transport expropriate between the Queen's highway and the canal for seaway purposes in the city of Cornwall?
2. How much of the expropriated land was abandoned?
3. How many settlements were made? How much was paid per acre (average)?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. 62.923 acres at the request of the St. Lawrence seaway authority (when expropriated land was in township but is now in city of Cornwall).

2. 6.881 acres.

3. (a) 58; (b) the compensation paid to each individual owner includes the value of the land—which is of a commercial, industrial or residential character—and the improvements thereon, and it is not practical to give an average price per acre.

COAL LOADING FACILITIES, VANCOUVER HARBOURS

Question No. 26—**Mr. Hansell:**

1. Are there facilities available at any of the Vancouver harbours for the loading of coal for export on ocean-going vessels?
2. If so, what facilities are there?
3. If not, what steps are being taken to secure adequate loading facilities?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1 and 2. There is no wharf at Vancouver harbour with mechanical equipment suitable for the economical loading of coal in large quantities.

3. Proposals of private interests to construct such a facility are under consideration.

CLASS 4 AIR CARRIER LICENCES, PORT ARTHUR, ONT.

Question No. 49—**Mr. Fisher:**

1. How many class 4 air carrier licences are held in Port Arthur?
2. Are any such licences held by organizations or persons which do not have aircraft?
3. How many applications have been received for such licences in the last five years?
4. Is it the practice to award more than one licence in one area?
5. How many licences, covering what bases, are held in northern Ontario by O. Wieben and/or Superior Airways?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. Three.

2. No.

3. One hundred and seventy-nine. None at Port Arthur.

4. The number of licences granted in an area is based upon the extent to which the public interest requires the services applied for and each case is decided on its merits.

5. Four—as follows: Licence No. ATB 79/46(C)—base at Fort William, Ontario; licence No. ATB 284/47(C)—base at Armstrong, Ontario; licence No. ATB 814/57(C)—base at Atikokan, Ontario; licence No. ATB 816/57(C)—base at Manitouwadge, Ontario.

DEFENCE PRODUCTION—CONTRACTS WITH DOMINION TEXTILE CO.

Question No. 60—**Mr. Boulanger:**

1. Has the Department of Defence Production contracted with Dominion Textile Company for army supplies?
2. If so, what are (a) the dates of such contracts; (b) the amount of each contract?

Answer by: **Hon. Howard C. Green (Acting Minister of Defence Production):**

1. Yes.

2.

(a) Original date of contract	(b) Value of contract per last amendment
	$
May 26, 1951	74,750.00
May 28, 1951	2,235.60
May 28, 1951	43,732.98
June 27, 1951	45,937.50
July 10, 1951	35,703.27
August 27, 1951	1,281.25
August 28, 1951	2,437.50
September 27, 1951	897.50
October 29, 1951	181,104.00
October 29, 1951	10,027.88
October 30, 1951	88,856.00
November 1, 1951	8,671.87
November 1, 1951	4,224.00
January 19, 1952	9,193.75
January 28, 1952	16,560.00
January 29, 1952	27,225.00
March 22, 1952	77.15
March 22, 1952	49.08
March 22, 1952	55.43
March 22, 1952	48.98
April 19, 1952	37,950.00
September 3, 1952	39.33
October 23, 1952	1,470.75
October 29, 1952	14,715.00
November 5, 1952	9,626.25
November 10, 1952	1,205.64
November 10, 1952	4,007.20
November 19, 1952	59.02
November 24, 1952	1,695.00
November 24, 1952	5,359.25
December 30, 1952	191.81
March 4, 1953	163.90
June 1, 1953	56.10
August 19, 1953	727.65
August 28, 1953	66.00
February 12, 1954	637.50
April 7, 1954	431.20
May 25, 1954	626.44
June 17, 1954	380.00
August 30, 1954	141.35
October 6, 1954	1,129.78
October 13, 1954	106.50
November 12, 1954	41.28
December 7, 1954	102.85
December 17, 1954	102,725.40
February 21, 1955	504.00
March 18, 1955	110.20
March 23, 1955	1,395.00
March 24, 1955	66.00
June 15, 1955	154.00
August 10, 1955	7,199.40
October 6, 1955	210.52
March 6, 1956	34.08
March 6, 1956	147.68
April 9, 1956	353.97
May 4, 1956	1,892.00
May 10, 1956	408.96
May 11, 1956	1,383.72
June 20, 1956	19,170.00
July 3, 1956	41.40
July 31, 1956	4,370.80
November 21, 1956	11,880.00
December 19, 1956	11,936.05
February 25, 1957	2,671.20
April 4, 1957	274.92
April 18, 1957	440.20
May 29, 1957	2,294.00
June 12, 1957	1,253.15

Note: The above list does not include contracts placed by the department for stockpiling purposes. Although items procured in this way may later be sold to a contractor as material for the production of army supplies, it is not possible to identify their end use at the time of purchase.

LAKE ONTARIO WATER LEVEL

Question No. 67—**Mr. Henderson:**

1. What is being done by the federal government departments and/or the government of the province of Ontario to establish and control a permanent water level for lake Ontario?
2. When will the water level for lake Ontario be established?
3. What will the water level for lake Ontario be?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. Following recommendations of the international joint commission, the governments of Canada and the United States approved for the regulation of lake Ontario on December 3rd, 1956, a range of monthly mean water levels during the navigation season from 244.0 feet to 248.0 feet as nearly as may be and a set of criteria for operation of the regulating works. Regulation plans are being developed now by the international St. Lawrence river board of control under the aegis of the international joint commission to maintain levels of lake Ontario within this range under the same hydrological and meteorological conditions that have occurred during the past century.

2. On completion of construction of the St. Lawrence seaway and power projects the international St. Lawrence river board of control is to assume control of the water levels of lake Ontario in accordance with

the range of levels and the set of criteria approved by the governments of Canada and the United States.

3. Compared with the actually experienced range of stage which has varied from a minimum monthly mean elevation of 242.68 (November 1934) to a maximum monthly mean elevation of 249.29 (June 1952) the approval requires that the lake be regulated within a range of stage from elevation 244.0 feet (navigation season) to elevation 248.0 feet, as nearly as may be. During the winter periods the water levels may be as low as 243.0 feet. Under regulation the frequency of occurrence of monthly mean water levels of approximately 247.0 feet and higher will be less than has occurred in the past. It should be noted that the regulation limits described herein are for monthly mean water levels, and natural phenomena such as seiches and storms may cause these limits to be exceeded for short periods of time. Should lake Ontario receive supplies of water in excess of those of past record, the regulating works will be operated to provide all possible relief to riparian owners upstream and downstream. Should the lake receive supplies of water less than those of past record, the regulating works will be operated to provide all possible relief to navigation and power interests.

NARCOTIC DRUGS—ARRESTS AND CONVICTIONS

Question No. 73—**Mr. Howard:**

1. Have any arrests been made since March 31, 1957, for infractions of the Opium and Narcotic Drug Act?

2. If so, (a) how many arrests were made; (b) how many convictions were obtained for trafficking in drugs, and how many for possession?

Answer by: **Hon. J. W. Monteith (Minister of National Health and Welfare):**

1. Yes.

2. To September 30, 1957: (a) 294; (b) for trafficking:

convictions	23
still before the courts	33
for possession:	
convictions	154
still before the courts	47

JAPANESE PLYWOOD IMPORTS

Question No. 91—**Mr. Broome:**

What has been the importation of Japanese plywood in the years 1955; 1956 and 1957, by quarter year periods?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

Year	Quarter	Value
1955	January-March	$ 230,300
	April-June	413,230
	July-September	350,224
	October-December	453,193
1956	January-March	245,629
	April-June	508,370
	July-September	677,092
	October-December	371,861
1957	January-March	405,932
	April-June (latest available)	629,933

EDUCATION—FEDERAL ASSISTANCE TO MUNICIPALITIES

Question No. 103—**Mr. Kirk:**

What steps has the government taken to make federal financial assistance available to municipal governments for education?

Answer by: **Hon. Donald M. Fleming (Minister of Finance):**

None except that the federal government pays grants in lieu of taxes, including school taxes, to municipalities under the Municipal Grants Act in respect of all federal properties.

TAX-FREE CIGARETTES FOR FISHERMEN

Question No. 104—**Mr. Kirk:**

1. Are any fishermen allowed tax-free cigarettes?
2. If so, what group and on what basis?
3. Is consideration being given to extending the privilege to all fishermen?

Answer by: **Hon. G. C. Nowlan (Minister of National Revenue):**

1. Yes.

2. Fishing vessels engaged in deep-sea or seal fisheries, when clearing from an ocean port direct to such fisheries, are entitled to obtain as ships' stores tax-free cigarettes manufactured in Canada when the duration of the voyage is not less than 15 days.

3. No.

APPENDIX

LETTER FROM PRIME MINISTER TO PREMIERS OF PROVINCES

(Similar letter sent to the premiers of all the provinces. The letter to the Premier of Quebec was in the French language)

OFFICE OF PRIME MINISTER
CANADA

Ottawa, October 31, 1957.

Honourable L. M. Frost,
Prime Minister of Ontario,
Parliament Buildings,
Toronto 2, Ontario.

My dear Prime Minister:

I have now had replies from all provinces to my letter of September 16th and I wish to confirm that the dominion-provincial conference on fiscal relations will be held at Ottawa on the dates proposed, Monday and Tuesday, November 25th and 26th.

The question of the participation or representation of municipalities at the conference has been raised from several quarters. I should, therefore, like to make clear that my colleagues and I feel that the question of whether or not municipal representatives attend this conference as part of the provincial delegations is one for each provincial government to decide in view of its responsibility for municipal affairs. Future policy in regard to this question might be considered at the conference itself if provincial governments agree.

In regard to the scope of the conference, the federal government believes that it should center on dominion-provincial fiscal relations but should afford an opportunity to discuss other current issues which have an important bearing on our fiscal relations. On the other hand it should not extend to detailed consideration of particular subjects that would be better taken up in a group with more specialized responsibilities.

I would suggest that we might have in mind two days of discussion at this November meeting, first in public and then in committee, after which we would adjourn to a later date when we would plan to be ready to consider specific proposals arising out of our first meeting.

The conference will open at 10:00 a.m., in the railway committee room of the parliament buildings and I shall be looking forward to seeing you there at that time.

I have designated Mr. Jean Fournier to serve as secretary of the dominion-provincial meeting, and any message of inquiry about the arrangements can be addressed to him at the privy council office here.

Yours sincerely,
John G. Diefenbaker.

HOUSE OF COMMONS

Tuesday, November 5, 1957

The house met at 2.30 p.m.

INDIAN ACT

AMENDMENT TO ELIMINATE WAIVER FORM IN FEDERAL ELECTIONS

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. 24, to amend the Indian Act.

Some hon. Members: Explain.

Mr. Howard: Mr. Speaker, the purpose of this bill is to eliminate the necessity of an Indian having to sign a waiver form before he has the right to vote in federal elections. This bill should be taken in conjunction with another bill standing in my name on the order paper.

Motion agreed to and bill read the first time.

CANADA ELECTIONS ACT

AMENDMENT TO GIVE INDIANS THE RIGHT TO VOTE

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. 25, to amend the Canada Elections Act.

Some hon. Members: Explain.

Mr. Howard: As I said before, this bill and the one to amend the Indian Act go together. Presently native Indians are not allowed to vote in federal elections. The purpose of this bill is to remove that disqualification and put them on the same basis as anyone else.

Motion agreed to and bill read the first time.

LABOUR CONDITIONS

BRITISH COLUMBIA—REPORTED CLOSING DOWN OF HOWE SOUND COMPANY

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I desire to direct a question to the Prime Minister, or, in his absence, to the house leader, the Minister of Public Works. I gave notice of the question to the Prime Minister this morning.

Has the attention of the Prime Minister been drawn to a telegram from Mr. K. A. Smith, board member of the mine, mill and smelter workers, to the effect that the Howe Sound Company in British Columbia declare that their operations at Britannia Beach will have to be closed, throwing 800 persons out of employment, unless immediate assistance can be forthcoming to the base metals industry? Is the Prime Minister or, in his absence, the house leader in a position to inform the house as to any possible government action to prevent the calamity of the closing of a major industry in British Columbia with 800 persons being thrown out of work, in about two weeks?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I should like to thank the hon. member for Vancouver East for letting us have notice of his question. I also received this wire, and no doubt it has come to other members from British Columbia.

As the hon. member knows, the Minister of Labour (Mr. Starr) has been doing his best for some time to prevent the closing down of this mine, and he will continue to do so. In addition, steps were taken to persuade the United States government that action should not be taken to raise the duty on copper.

The wire in question mentions the fact of prices having dropped. Of course the price of copper is set on the world market, and I am afraid the government cannot do much about that matter.

Mr. T. J. Irwin (Burnaby-Richmond): Mr. Speaker, I have a supplementary question. I wish to direct it to the Minister of Mines and Technical Surveys. I may say that I have given him notice of it. In view of the fact that it is indicated by the board of directors of Howe Sound Company that at a meeting to be held by such board on November 19, 1957, the Britannia property will close down in the face of price deterioration, what action has the government taken in regard to the brief submitted by the international union of mine, mill and smelter workers dated August 19, 1957?

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, I wish to thank the hon. member for Burnaby-Richmond for his courtesy in giving me notice of his question. As the matter referred to is of interest to the Prime Minister (Mr.

Diefenbaker) and to my colleague the Minister of Trade and Commerce (Mr. Churchill) I will take the question as notice and will answer it on the earliest possible occasion.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct to the house leader a question supplementary to the one asked by the hon. member for Vancouver East. Will the government give consideration to getting in touch with the government of British Columbia in order to see what co-operative action between the two governments may be taken to prevent that calamity which has been referred to?

Mr. Green: Mr. Speaker, I shall be glad to take that suggestion into consideration. The Minister of Labour is not here. I am not sure whether he may not have already done that. Of course the primary responsibility in this case rests with the provincial government.

[*Later:*]

Mr. Winch: Mr. Speaker, I almost shudder because I want to ask a supplementary question to the first question asked on the order paper. You will admit, Mr. Speaker, that I have been getting up and down like a jack in the box.

I would like to ask a supplementary question on the first question asked of the Minister of Public Works as leader of the house, relative to the threatened closing of the Britannia mine. Would the house leader give an explanation as to exactly what he meant by his statement here today that the responsibility lies with the provincial government, in view of the fact that exports, tariffs and subsidies are of a federal nature? Secondly, would the minister please tell us if the federal government is going to take any action to try to stop the closing of this major industry in British Columbia?

Mr. Green: Mr. Speaker, I told the hon. member that the Minister of Labour had been doing his best to prevent this situation from arising and that he would continue to do so. I did not say that the federal government had no jurisdiction. I said the primary jurisdiction was with the province because this is an industry which does not come directly under federal government jurisdiction.

Mr. Winch: Explain that. All base metals are under federal jurisdiction.

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, I would like to ask a question of the parliamentary assistant to the Minister of Labour. I wonder if he could give us an idea as to what type of action the Minister of Labour has taken in order to prevent the closing of the Britannia mine.

Mr. Arthur Maloney (Parliamentary Assistant to the Minister of Labour): Mr. Speaker, I will take the hon. member's question as notice and it will be answered tomorrow.

[*Later*]

Mr. F. G. J. Hahn (New Westminster): I should like to direct a supplementary question to the Minister of Public Works, arising out of his answer to the hon. member for Vancouver East concerning the jurisdiction over mines.

Mr. Speaker: Order. I do not want to prejudge the hon. member's question, and I shall allow him to ask it, but I do believe we have had enough supplementary questions on that one subject today. However, the hon. member may try us out and see if the house considers it in order.

Mr. Hahn: My question is this. Has the minister or the government informed Britannia mine that these mines come under the jurisdiction of the province and they should take their problems there?

Mr. Speaker: I think the hon. member will agree that this is not a question which is calculated to throw further light on the answers that have been given. We had better consider that question closed for today.

TRADE

COMMUNIST CHINA—REPORTED STATEMENT AS TO CURRENCY ACCEPTABLE TO CANADA

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. Is the minister prepared to confirm a statement attributed to our trade commissioner at Hong Kong that Canada is prepared to accept Canadian dollars, Swiss francs or convertible sterling in payment for wheat, lumber, fish, etc., which he hopes to sell to the Chinese communist government when he reaches Peking? I might say that I heard the news item on the one o'clock broadcast of the Canadian Broadcasting Corporation today.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I did not hear the news broadcast. I think I would have to examine the question in *Hansard* and give a reply tomorrow.

Mr. Coldwell: May I ask a supplementary question. Will the minister tell us whether this is a change of policy, and the government is now prepared to accept sterling?

When I say "sterling" I refer to convertible sterling, not blocked sterling which some countries possess.

Mr. Churchill: When there is a change of policy it will be announced in the House of Commons.

[*Later:*]

REFERENCE TO MAGAZINE REPORT RESPECTING WASHINGTON CONFERENCE

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): May I direct a question to the Minister of Trade and Commerce. Is the statement made by Mr. Blair Fraser correct when he says in *Maclean's* magazine of November 9 that the United States government was told at Washington that Prime Minister Diefenbaker's reference to a 15 per cent switch was a mere offhand remark and that Canada plans no drastic measures to promote such an aim? Is it true that the United States government was pleased with Canadian assurance that no further preferences were to be extended to commonwealth countries?

Hon. Gordon Churchill (Minister of Trade and Commerce): I think the first statement the hon. member read out is incorrect. I recall no such references being made at that conference. In so far as the second question is concerned, again it was not a subject of discussion.

U.S. DISPOSAL PROGRAM—REPORTED STATEMENT BY MINISTER OF FINANCE

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): My question should be directed to the Minister of Finance, but in his absence I shall direct it to the Minister of Trade and Commerce. Would the minister inform the house as to the reason for making the statement in New York over the week end that Canada is far from satisfied with the assurances recently given by the United States government regarding its surplus disposal policy? What further steps does the government consider taking in the face of this dissatisfaction?

Hon. Gordon Churchill (Minister of Trade and Commerce): I am very thankful that I am responsible only for my own statements. Perhaps, on behalf of the Minister of Finance, I could take this question as notice.

ROYAL CANADIAN AIR FORCE

RALSTON, ALTA.—REPORTED DISBANDMENT OF UNIT

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to address a question to the Minister of National Defence arising out of a report in the Medicine Hat *News* that the R.C.A.F. unit attached to the defence research board at Ralston (Suffield) will be disbanded as of December 31, 1957. Will the Minister of National Defence assure the house that sufficient personnel will be retained at this base to accommodate incoming aircraft, as it is the only airport in the area at the present time with adequate runways to allow larger aircraft to land in case of emergency, or as an alternative landing port?

Hon. G. R. Pearkes (Minister of National Defence): I thank the hon. member for giving me notice of his question. The small R.C.A.F. detachment at the defence research board's Suffield experimental station at Ralston is to be withdrawn at the end of this year, although the air force will continue to meet aircraft requirements for the board's research and testing purposes from other sources. Since service aircraft will be needed to continue experiments conducted at Suffield experimental station, the defence research board intends to maintain the runways existing at the present time.

TRANSPORT

NEWFOUNDLAND—INQUIRY AS TO GROUNDING OF COASTAL BOATS AND TRAIN DERAILMENT

On the orders of the day:

Mr. L. T. Stick (Trinity-Conception): Mr. Speaker, I notice the Minister of Transport is not in his place. Perhaps his parliamentary assistant can take this question as notice. Will the minister inquire into the grounding of two C.N.R. coastal boats lately, namely the *Burin* and the *Henry W. Stone*, also the derailment of a freight train near Stephenville, and report to the house?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): On behalf of my colleague the Minister of Transport I will take notice of the question.

NATIONAL DEFENCE

U.S.-CANADA—INQUIRY AS TO JOINT AIR DEFENCE COMMAND

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. My question results from my overnight meditation on the answers given by him yesterday to the hon. member for Kingston. First, was the constitutional commander in chief of Her Majesty's armed forces in Canada consulted before a portion of those forces was committed to the command of a United States

general? Second, by what constitutional or legal process were the present Canadian-United States command arrangements consummated?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, with regard to the first part of the question, I presume the hon. member is referring to the NORAD command integrated between the R.C.A.F. and the United States air force at Colorado Springs. Naturally the Governor General was informed of these arrangements, and he approved of the appointment of Air Marshal Slemon to that command.

As far as the second part of the question is concerned, I would say that the arrangements for setting up this command followed a similar pattern to those governing our forces serving with the supreme allied command in Europe and the naval forces in the Atlantic under the supreme allied commander, Atlantic.

Hon. Jean Lesage (Montmagny-L'Islet): I have a supplementary question. Were there any orders in council on the subject?

Mr. Pearkes: As I explained yesterday, there was an order in council appointing Air Marshal Slemon to the command, and at the time I tabled that order in council I also tabled the joint statement which was made by myself and the secretary of defence of the United States.

Mr. Lesage: Was the transfer of authority to United States authorities approved by order in council?

Mr. Pearkes: The transfer of authority conformed to the practice which has existed with respect to the other Canadian forces in Europe and in the Atlantic, and followed closely the procedure which had been set up during the Mackenzie King-President Roosevelt conversations before the last war in which Canada and the United States agreed to co-operate for the mutual defence of this continent.

Hon. Paul Martin (Essex East): May I ask a supplementary question. Is it not a fact that the participation of Canadian troops overseas was as a result of the North Atlantic Treaty Organization convention, which was first of all approved by this parliament?

Mr. Pearkes: The joint defence of the North American continent is equally part of the object of the North Atlantic Treaty Organization, and just as much a part of the plan for the deterrent to war as that of having troops stationed in Europe.

Mr. Lesage: Is General Partridge acting as the commander of NATO?

[Mr. Herridge.]

Mr. Pearkes: General Partridge is the commander of North American air defence.

Mr. Lesage: Not under the authority of NATO?

Some hon. Members: Order.

Mr. W. J. Henderson (Kingston): Mr. Speaker, may I direct a question to the Minister of National Defence further to my inquiry yesterday as to the joint air defence command. I would like to ask the minister whether the command of Lieutenant General Earle Partridge and Air Marshal Slemon of the new continental air defence command is operative at the present time.

Mr. Pearkes: Mr. Speaker, I think I have already answered that question or questions similar to it. Yes, it is operative on an interim basis until the formal agreement has been drawn up as I explained to the house.

Mr. Henderson: A supplementary question, Mr. Speaker. If it is operative at the present time, to what extent can General Partridge commit Canadian forces?

Mr. Pearkes: In the event of a national emergency occurring General Partridge, after consultation with the Canadian government and with the government of the United States, would be able to commit either American or Canadian forces in the defence of this country.

Mr. Henderson: With no limitation?

Mr. Pearkes: I beg your pardon?

Mr. Henderson: With no limitation?

MOOSE JAW—REPORTED CLOSING OF NATO TRAINING SCHOOL

On the orders of the day:

Mr. Louis Lewry (Moose Jaw-Lake Centre): Mr. Speaker, I would like to direct a question to the Minister of National Defence, notice of which has been given. Would the minister care to comment on reports that the NATO training school at Moose Jaw, Saskatchewan, may be closed down in 1958? Can the minister assure the people of Moose Jaw that such reports are unfounded?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, there are no present plans to close down the airport at Moose Jaw during the calendar year 1958.

[*Later:*]

PUBLIC RELATIONS OFFICERS AT U.S. BASES IN CANADA

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to direct a question to the Minister of National Defence. I apologize for

not giving him notice, but I am confident he has the answer at his fingertips. In view of the fact that the minister, when in opposition, urged that all public relations officers at United States army bases in Canada be Canadians, can the minister inform the house if he has given effect to his own wishes?

Hon. G. R. Pearkes (Minister of National Defence): Would the hon. member repeat the first part of his question?

Mr. Herridge: In view of the fact that the minister, when in opposition, urged that all public relations officers at United States army bases in Canada be Canadians, can the minister now inform the house if he has given effect to his own wishes?

Mr. Pearkes: I am quite certain that my own wishes are being carried out, but whether or not they have been completed at the present time I am not in a position to say.

LIVESTOCK

REQUEST FOR ADDITIONAL VETERINARY SERVICES IN SOUTHERN B.C.

On the orders of the day:

Mr. F. C. Christian (Okanagan Boundary): Mr. Speaker, I wish to direct a question to the Minister of Agriculture or to his parliamentary assistant, notice of which has been given.

In view of the fact that Canadian livestock are required to have medical clearance before being permitted to cross the border into the United States, and further that at the present time additional veterinary service in southern British Columbia is required relative to the matter of obtaining such medical clearance, would the Minister of Agriculture consider investigating the matter immediately, and the provision of additional veterinary service at this time?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, in the absence of the Minister of Agriculture I regret to inform the hon. member that I did not receive his question before coming to the house. I will take it as notice and have a reply ready tomorrow.

HIGHWAYS

STEWART-CASSIAR, B.C.—INQUIRY AS TO DOMINION-PROVINCIAL AGREEMENT

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a question to the Minister of Northern Affairs and National Resources. Can the minister advise the house whether an agreement has been signed between the federal government and the government of the province of British Columbia with respect to the Cassiar-Stewart road? If so, is there any indication in that agreement as to where the southern terminus of that road will be?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, I think this question is covered by a question on the order sheet, if my memory serves me correctly, but I have no objection to answering at this stage.

In answer to the question asked by the hon. member for Skeena: yes, there is an agreement which has been signed, but some points still remain to be clarified between the two governments. As to the question about the final location of the southern terminus, the answer is that no definite decision has been made.

Hon. Jean Lesage (Montmagny-L'Islet): On the same subject, since I asked the question on the order paper, and the minister seems to be in a good mood for answering questions, has a survey been made by the Department of Public Works, and if so has a report of the survey been made to the Department of Northern Affairs and National Resources?

Mr. Hamilton (Qu'Appelle): Yes, Mr. Speaker, a survey has been made by the Department of Public Works and a report has been submitted by that department to the minister of northern affairs.

Mr. Lesage: Is the minister of northern affairs satisfied with the route this road should follow?

BRIDGES

ALASKA HIGHWAY—REQUEST FOR REPORT ON PEACE RIVER BRIDGE

On the orders of the day:

Mr. B. R. Leboe (Cariboo): Mr. Speaker, I would like to direct a question, of which I have given notice, to the Minister of National Defence. Will the minister make a report to the house outlining the situation which obtains at present regarding the Peace river bridge at Taylor flats?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, the progress which has been made in repairing communications along the Alaska highway is as follows. The ferry operating just upstream from the collapsed bridge is making 60 trips a day each way. There is now no ice condition in the river, and the level of the river has dropped 10 inches since November 2. The southern approach to the P.G.E. bridge is now 95 per cent complete, and it is hoped that this road will be completed by today.

The bridge over the Pine river is 28 per cent completed, and it is estimated that that

bridge will be in operation by November 13. The decking on the P.G.E. bridge is 30 per cent completed. Prefabrication of decking is well in hand, and the contractor expects that to be completed by November 16. The northern approach is well under way, and 35 per cent of the work having been completed it is estimated that the road on the north side of the river will be completed by November 13.

Mr. Solon E. Low (Peace River): Mr. Speaker, I would like to ask a supplementary question of the Minister of National Defence. Is he in a position to inform the house today whether the federal government feels a moral obligation to maintain a bridge crossing on the Alaska highway at Taylor flats?

Mr. Pearkes: The federal government is under the obligation to maintain the Alaska highway suitable for military transport. As that bridge and the southern part of the route have been used by commercial traffic for a number of years, I am sure the federal government will consider giving assistance to the restoration of the bridge. I cannot report on the steps yet to be taken to restore the bridge. We have had experts out on the site, and they have advised that there should be a complete soil analysis made before any restoration is undertaken.

TELEVISION

NOVA SCOTIA—REQUEST FOR PROVISION OF RELAY STATION

On the orders of the day:

Mr. T. A. M. Kirk (Shelburne-Yarmouth-Clare): Mr. Speaker, may I direct a question to the Minister of National Revenue. What steps are being taken by the C.B.C. to build a television relay station in western Nova Scotia so the people of western Nova Scotia may receive T.V. programs?

Hon. G. C. Nowlan (Minister of National Revenue): Mr. Speaker, the hon. member was good enough to send me notice of his question a few moments ago, and it could be answered in various ways. In the first place, I am not sure of his definition of western Nova Scotia. I had the impression that I represent a substantial part of western Nova Scotia and at least in Digby county, which the hon. member well remembers, having represented it himself at one time, there is very adequate television reception now from the station in Saint John and I think substantially to the west of the county as well, running down pretty well through Clare.

A short answer to the question, I suppose, Mr. Speaker, might be "none", because at the moment there are no immediate plans for the erection of satellite stations in western Nova Scotia. But the hon. member will appreciate the fact that up to now there has been no microwave connection with the national hook-up across Canada. That is being completed. Temporary connections were effected for the world series a while ago which gave baseball coverage to western Nova Scotia; temporary connections were effected for the visit of Her Majesty, and now I am advised that a permanent microwave connection will be installed at the end of the year. After that, of course, consideration will be given to the installation of satellite stations to supplement the transcontinental national microwave system.

Mr. Kirk: May I ask the Minister of National Revenue if he would permit me to define for him western Nova Scotia?

Mr. Nowlan: Don't monopolize it. I have an interest there too.

Mr. Kirk: It includes Shelburne-Yarmouth-Clare, which is the portion of western Nova Scotia which does not now receive the programming.

[*Later:*]

Mr. D. M. Fisher (Port Arthur): I should like to direct a supplementary question to the Minister of National Revenue. Do I understand from his remarks that a microwave set-up through a region is a technical prerequisite for any C.B.C.-T.V. satellite transmission?

Mr. Nowlan: I am not an expert in that field, Mr. Speaker, and I would not want to say it is a technical prerequisite, but certainly in the terms of the question which was asked by the hon. member for Shelburne-Yarmouth-Clare the establishment of a microwave was, I think, a prerequisite.

NEW BRUNSWICK—INQUIRY AS TO COVERAGE FOR NORTHERN AREA

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I should like to direct a question to the Minister of National Revenue, which he may take as notice. Can the minister advise the house what action is being taken to provide the 250,000 people of northern New Brunswick and the Gaspe coast with television facilities?

Hon. G. C. Nowlan (Minister of National Revenue): I shall take that question as notice.

POWER

LACHINE SECTION, ST. LAWRENCE RIVER—STATEMENT ON APPLICATION BY QUEBEC

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I ask the Minister of Public Works if he is now in

a position to answer the question which I directed to him on Friday concerning power development in the Lachine section of the river?

Hon. Howard C. Green (Minister of Public Works): Yes, Mr. Speaker, I have that answer now. The question was:

Can the minister tell the house whether the government of the province of Quebec has made an application to his department under the Navigable Waters Protection Act for the development of power in the Lachine section of the St. Lawrence river?

The answer is no.

Mr. Chevrier: May I ask a supplementary question as to whether, falling short of a formal application, representations have been made in that direction to the Department of Public Works.

Mr. Green: I would have to take that supplementary question as notice.

ST. LAWRENCE SEAWAY

IMPOSITION OF TOLLS—COST PER BUSHEL OF WHEAT

On the orders of the day:

Mr. J. H. Harrison (Meadow Lake): I would like to direct a question to the Minister of Transport or, in his absence, the minister acting for him. He may take this question as notice and answer it at a later time if that suits his purpose. What will the government's decision to impose tolls on the St. Lawrence seaway cost the western farmer in cents per bushel on wheat?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): I will take note of that question but I would suggest that when the minister gets back it may change into an order for return.

PRAIRIE FARM REHABILITATION

INQUIRY AS TO EXTENSION OF LEGISLATION TO BRITISH COLUMBIA

On the orders of the day:

Mr. F. C. Christian (Okanagan Boundary): I would like to direct a question to the Minister of Agriculture or his parliamentary assistant. Notice has been given. In view of the fact that a number of irrigation districts in British Columbia are experiencing the utmost difficulty in obtaining badly needed renewable capital projects, what action has been taken by the government to extend the P.F.R.A. to British Columbia?

Hon. Gordon Churchill (Minister of Trade and Commerce): I should like to take that question as notice, and perhaps have an answer ready tomorrow.

HARBOURS

ST. JOHN'S, NEWFOUNDLAND—INQUIRY AS TO IMPROVEMENTS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to direct a question to the Minister of Public Works. Does the government expect to make an early start on the badly needed harbour improvements in St. John's, Newfoundland, which were planned by the minister's predecessor and which are being advocated urgently by the Newfoundland board of trade?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, as the hon. member has said there was a study made and the report has been referred to different bodies in Newfoundland for their opinions as to what course should be followed. I did have a letter from the president of the board of trade a few days ago which was strongly in favour of following the plan, but we have not heard from the other interested bodies as yet. The department will move ahead with this development just as rapidly as possible.

COMMONWEALTH CONFERENCE

REQUEST FOR STATEMENT ON TRADE AND ECONOMIC MEETING

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Minister of Trade and Commerce if, in view of the fact that more than five weeks have elapsed since the Mont Tremblant conference, any commonwealth government has yet acted on the recommendation of any one of the finance ministers that a commonwealth trade and economic conference should be held? At the same time, could the minister indicate whether or not any decision has yet been reached as to when and where this conference will take place?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I am afraid I am unable to give an answer to the hon. member's question. This information would likely be in the possession of my colleague the Minister of Finance.

RESEARCH AND DEVELOPMENT

INQUIRY AS TO STEP-UP IN ALLOY RESEARCH

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Minister of Mines and Technical Surveys. Would the minister care to comment on the public statement made by the director general of scientific services of his department that Canadian

alloy research is being stepped up to meet the Russian challenge in the field of rockets? Is a geological survey now being conducted to discover rare earths required in the development of alloys in this field?

Hon. Paul Comtois (Minister of Mines and Technical Surveys): I wish to thank the hon. member for giving me advance notice of his question. The statement to which the hon. member refers results from my recent request for an active study of our departmental activities with a view to determining where, if possible, an acceleration of research could be achieved to meet the challenge offered the western world by the recent launching of earth satellites by the U.S.S.R. Any proposals such as those referred to will be considered and subsequently discussed with my colleagues, as more than one department or agency of government would be involved in such an accelerated program of research. I know the hon. member will not expect me on this occasion to comment upon the scientific aspects of this news announcement.

IMMIGRATION

STATEMENT ON REPORTED PAYMENT OF RETURN FARES TO UNITED KINGDOM FOR SURGICAL TREATMENT

On the orders of the day:

Hon. E. D. Fulton (Acting Minister of Citizenship and Immigration): On October 31 the hon. member for Rosetown-Biggar asked me whether a report from London was correct that a young British couple had their fares paid to the United Kingdom in order that the wife, who was suffering from cataracts, could have an operation performed in England free of charge. He went on to ask, "If so, what kind of advertising for Canada is that?".

I gave a partial reply to the question that day, and said I would make an investigation and bring in a further reply. The further reply is that this couple were returned to the United Kingdom at their own request on compassionate grounds, included amongst which was the medical condition of the wife with respect to her eyes. Their return passage was paid by the Canadian government under the provisions of section 70 of the Immigration Act.

FINANCE

INQUIRY AS TO REMOVAL OF EXCISE TAX ON AUTOMOBILES

On the orders of the day:

Mr. D. F. Brown (Essex West): I should like to direct a question to the Acting Prime Minister. When does the government intend introducing legislation to remove the excise tax on automobiles?

Hon. Howard C. Green (Minister of Public Works): I am surprised that the hon. member is in such a hurry to get this tax off, after his government put it on.

Mr. Gauthier (Portneuf): That is not the question; you said you would do better.

Mr. Green: When the legislation is to be brought down an announcement will be made in the ordinary way.

Hon. Paul Martin (Essex East): Mr. Speaker, I have a supplementary question. Is my hon. friend not aware of the fact that the previous administration reduced that tax from 25 per cent to 15 per cent and from 15 per cent to 10 per cent?

Mr. Green: If I remember correctly, Mr. Speaker, they put it up first. They may have reduced it a little bit.

HOUSE OF COMMONS

MINISTER OF PUBLIC WORKS—CONGRATULATIONS ON BIRTHDAY ANNIVERSARY

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I have been trying to find an excuse for questioning the Minister of Public Works because, as one of the old timers in the house to another, I desire to wish him many happy returns of the day.

Some hon. Members: Hear, hear.

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, may I thank my old friend the hon. member for Rosetown-Biggar for his kind reference, though I have reached the stage where I do not entirely appreciate being reminded of my age. I should also like to thank the other members of the house for the kindly way in which they have received this reference.

PUBLIC WORKS

BRITISH COLUMBIA—REPORTED REVISION OF POLICY ON DIKING

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, my question is directed to the Minister of Public Works. I might say he would give all of us in British Columbia a great deal of joy if he will clarify the statement to the effect that the policies on diking have been revised by this government as compared with those of the former government. I have a newspaper clipping which indicates that such is the case.

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I thought I was through with questions for the day. I may say that we have made some change in policy in this regard. The former government would not assist with maintenance work on the dikes. They would pay 33⅓ per cent on any new diking work done, the province would pay 33⅓ per cent, and the municipality was expected to pay the other 33⅓ per cent. We have adopted a new policy of sharing in the cost of the maintenance of these dikes on a basis of 37½ per cent, provided the province will pay 37½ per cent. That means, of course, that the municipality need only pay 25 per cent.

Hon. Jean Lesage (Montmagny-L'Islet): Mr. Speaker, I have a supplementary question. Is the money needed for this new policy taken off the estimates for protection works in the province of Quebec, and especially in my riding?

Mr. Green: No, Mr. Speaker.

INCOME TAX

TORONTO—REPORTED EVASION BY FINANCIAL HOUSES

On the orders of the day:

Mr. A. W. Stuart (Charlotte): Mr. Speaker, I should like to direct a question to the Minister of National Revenue. Would the minister care to comment on a press report to the effect that in a recent Royal Canadian Mounted Police raid in Toronto the books of 18 financial houses were seized in what is suggested might be a $50 million evasion of income tax?

Hon. G. C. Nowlan (Minister of National Revenue): Mr. Speaker, my attention has not been drawn to this report. I am therefore not in a position to comment on it at this time.

BASE METALS

BRITISH COLUMBIA—REQUEST FOR PROTECTION OF INDUSTRY

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to ask a question of the Minister of Labour or, in his absence, of his parliamentary assistant. I have not given him notice of this question and perhaps, if it is required, he will take this as notice. Would the minister advise the house what consideration is being given to the telegram received by the government in September and referred to the Department of Labour, signed by members of all parties in British Columbia, asking for action on the protection of the base metal industry in British Columbia?

Mr. Speaker: Order. I think that question might well go on the order paper, in view of the fact that the telegram was sent in September and that I have already requested hon. members not to ask further supplementary questions on this matter.

Mr. Winch: No answer has yet been received.

DOMINION-PROVINCIAL RELATIONS

REFERENCE TO REPORT IN "GLOBE AND MAIL" OF NOVEMBER 5

On the orders of the day:

Mr. J. H. Harrison (Meadow Lake): Mr. Speaker, I intended to ask a question of the Prime Minister but, in his absence, possibly the house leader would answer it. A picture in this morning's Toronto *Globe and Mail* of a Conservative convention shows a banner reading "Diefenbaker and Frost, a winning team". Does this indicate a continuing Conservative homage to Ontario and endorsation of the concept of a vassal role for all other provinces?

Some hon. Members: Oh, oh.

Mr. Speaker: I think the hon. member does not expect an answer to his question.

PUBLIC BUILDINGS

MOOSE JAW—PROPOSED NEW FEDERAL BUILDING

On the orders of the day:

Mr. Louis Lewry (Moose Jaw-Lake Centre): Mr. Speaker, I should like to direct to the Minister of Public Works a question of which notice was given. Can the minister give any indication when a start may be made on construction of the new federal building in Moose Jaw, Saskatchewan? Can he say whether any plans have been made as to the disposal of the present post office building there?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I should like to thank the hon. member for giving me notice of this question. It is hoped that a start can be made by May 1 of next year. As yet no plans have been made for the disposition of the present post office building.

INDUSTRY

BONAVENTURE, QUE.—REPORTED PROMISE TO BUILD PULP MILL

On the orders of the day:

Mr. Wilfrid LaCroix (Quebec-Montmorency): Mr. Speaker, in the absence of the Prime Minister may I direct a question to the

Minister of Public Works. In view of the fact that most of the pulp mills in the province of Quebec have cut down employment since the last federal election, is it true that the government has decided to build a pulp mill at Bonaventure in the province of Quebec, as promised by the hon. member for Bonaventure (Mr. Arsenault) during the last election campaign?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I shall have to take this question as notice.

GRAIN

LICENSING OF OFF-SITE STORAGE

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. It arises out of his statement that he would make inquiries, as reported in this house on October 27. Has the minister given further consideration to the question of licensing off-site storage for grain? Is he able to report on his inquiries into the mobility and quality of grain in off-site storage?

Hon. Gordon Churchill (Minister of Trade and Commerce): Yes, Mr. Speaker; I have given further consideration to the question of licensing off-site storage for grain, but I have not yet reached a decision. I am investigating all problems in connection with the storage of grain.

The second part of the question deals with matters that are or might well be the subject of debate, as to whether or not off-site grain is as mobile as grain in storage in trucks. The same thing applies with regard to the quality of grain in both places. There are instances, I am informed, where off-site storage has been just as adequate as in annexes of the elevators, both with regard to mobility and keeping qualities.

WHEAT—STATEMENT ON MONETARY INCENTIVE TO SHIP THROUGH EASTERN PORTS

On the orders of the day:

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I have an answer to a question asked me yesterday by the hon. member for Meadow Lake (Mr. Harrison), which was as follows:

What monetary incentive in cents per bushel is being offered to purchasers of Canadian wheat for taking delivery at eastern Canadian ports rather than at Fort Churchill and Vancouver?

The answer, which I regret is fairly long, is as follows. The Canadian wheat board endeavours to provide wheat generally competitive in overseas markets irrespective of the port of shipment. The board takes into account not only internal costs of moving wheat to seaboard positions but also the various ocean rates involved and such variations in the foregoing costs as may occur from time to time.

To give effect to this policy the Canadian wheat board commenced on February 16, 1954, to quote separate selling prices for wheat as follows: For wheat in store Pacific coast; for wheat in store Fort William-Port Arthur; for wheat in store Fort Churchill. Today's Canadian wheat board prices for wheat are as follows:

Grade	(Per bushel in store) Vancouver	Fort William-Port Arthur	Churchill
No. 1 Manitoba Northern	$1.71⅛	$1.60⅛	$1.70⅛
No. 2 " "	1.67⅛	1.56⅛	1.66⅛
No. 3 " "	1.61⅛	1.49⅛	1.59⅛
No. 4 " "	1.50⅛	1.36⅛	1.46⅛

Prices for wheat at St. Lawrence ports are based on the Fort William-Port Arthur prices plus the cost of forwarding wheat from this position to St. Lawrence ports, which is approximately 22½ cents per bushel currently.

Mr. H. R. Argue (Assiniboia): May I ask the minister a supplementary question. Is this same general policy also followed in prices for barley; and can the minister say whether in recent weeks the price of barley at eastern ports has been substantially reduced on account of this policy?

Mr. Churchill: Mr. Speaker, I cannot give the figures in answer to the first part of the question. With regard to the second part of the question, a reduction was made in the price of barley in recent weeks by 6 cents, effective with regard to barley for shipment overseas.

In part the answer would be as follows. The wheat board proposes, for the remaining days of open navigation in the St. Lawrence river, to increase barley movement to markets in the United Kingdom and in western Europe. The means being applied by the wheat board for a limited time this fall is to adjust the selling price in respect of barley which is purchased from the board and subsequently exported to western Europe. The adjustment rate at the present time is 6 cents a bushel.

HEALTH INSURANCE

MANITOBA—TREATMENT OF MENTAL AND TUBERCULAR PATIENTS

On the orders of the day:

Mr. Louis Deniset (St. Boniface): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. He has already given me an answer, but I believe he would agree that a public statement would help to clarify the matter. It is with regard to the national health insurance scheme. Has a reply actually been sent to the government of the province of Manitoba with regard to the inclusion of mental and tubercular patients in the scheme?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, a reply has been sent to Premier Campbell indicating that this matter may be discussed at the federal-provincial conference on November 25 and 26.

AGRICULTURE

INQUIRY AS TO FINANCIAL ASSISTANCE TO CHEESE FACTORIES

On the orders of the day:

Mr. A. P. Lavigne (Stormont): Mr. Speaker, I should like to direct a question to the Minister of Agriculture or, in his absence, to his parliamentary assistant. Has financial assistance previously given to cheese factories upon amalgamation been discontinued by the present government?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, in the absence of the Minister of Agriculture, and because I did not get notice of this question, I shall have to take notice of it now.

PIPE LINES

TRANS-CANADA PIPE LINES—STATEMENT ON CONSTRUCTION CONTRACTS EAST OF LAKEHEAD

On the orders of the day:

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, while I am on my feet, if I may have the floor I should like to answer a question addressed to me yesterday by the hon. member for Port Arthur (Mr. Fisher), who asked whether the contracts have yet been awarded for construction of the natural gas pipe line east of the lakehead and, if so, whether any of them have gone to Canadian companies.

The answer to the first part of the hon. member's question is no. The second part is therefore not applicable.

ADMINISTRATION OF JUSTICE

DISCREPANCIES IN PENALTIES IMPOSED UNDER CRIMINAL CODE

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of Justice. Can the minister advise the house as to what is the responsibility of his department with respect to discrepancies in penalties imposed under the Criminal Code? In British Columbia last week a 17-year-old boy charged with attempted rape—

An hon. Member: Order.

Mr. Winch: —received three years and four paddles. In Ontario four weeks ago an 18-year-old boy charged with attempted rape received three months and eight paddles. Can the minister tell me what is the position—

Mr. Speaker: Order. The minister may answer if he sees fit, but I consider this a question which relates to something which is not within his jurisdiction or his administrative responsibility. The sentences given by judges are not subject to the jurisdiction of the ministry or of this house, except by way of legislation.

Mr. Winch: It is also a question that I cannot put on the order paper. How else can I ask the question?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I do not think I can possibly answer the question even with the best of will in the world under the rules or within the time available on the orders of the day. Under these circumstances I would be glad to try to deal with it, in so far as it lies within my responsibility, as a question on the order paper; or I would suggest to the hon. member that a more appropriate time to discuss the matter, if he wishes, is when the estimates of the department are before the house.

Mr. Winch: Will the minister go into this case if I meet him personally; because the lashes are already ordered. The paddle has already been ordered and one has been fulfilled. There is that difference in sentences, and could I meet with the minister and discuss it with him?

Mr. Fulton: I would think that in so far as there is anything that requires immediate investigation it will be brought before the remission service of the department and immediately investigated.

Old Age Assistance Act

OLD AGE ASSISTANCE ACT

AMENDMENTS RESPECTING ALLOWANCE, RESIDENCE AND ALLOWABLE INCOME

Hon. J. W. Monteith (Minister of National Health and Welfare) moved the second reading of Bill No. 20, to amend the Old Age Assistance Act.

He said: Mr. Speaker, I think perhaps a brief statement is required of me at the opening of this debate on second reading of the Old Age Assistance Act. Most of what I could usefully say has already been given in my statement on the resolution. Hon. members will see that the bill itself requires little explanation. We are simply re-enacting section 3(1) of the Old Age Assistance Act, changing the references to the maximum amount of assistance payable so that in future it will be set at $55 monthly; and, at the same time, we are changing section 3(2) of the act to read 10 years instead of 20 years as every point where reference is made to residence requirements.

Finally, section 3(2) is being further changed to provide an increase in the allowable income ceilings by $120 yearly in the case of single recipients and $240 yearly in the case of married couples. For example, where an unmarried recipient was formerly allowed to have $840 a year, including assistance, he will now be allowed a total of $960 a year, made up as follows: $660 by way of asistance and $300 by way of outside income, after which his assistance is reduced by the amount of excess income.

Where a married couple was formerly allowed to have $1,380 a year, including assistance, they will now be allowed a total of $1,620 a year. This can be made up in one of two ways. If both man and wife are eligible for assistance they can receive as much as $1,320 a year by way of assistance and $300 by way of outside income. If only one member of the couple is eligible for assistance they can receive only $660 by way of assistance but they can have as much as $960 a year in outside income before there is any reduction in the amount of assistance payable.

In the case of a married couple one of whom is blind the income ceiling is even higher. Such a couple may receive as much as $1,980 a year in total income, including assistance. Where one member of the couple is on old age assistance and the other is on blindness allowance they can receive as much as $1,320 a year by way of benefit and have, in addition, as much as $660 a year in outside income.

If only one member of the couple is on old age assistance and the blind spouse is, for some reason, not in receipt of benefit, the total amount of assistance payable is only $660 a year; but in such circumstances the outside allowable income can be as much as $1,320 a year without reduction of benefit.

The second section of the amending bill provides that the effective date shall be November 1, 1957, as far as the federal government is concerned. But each province will, of course, have to come to a decision to implement these changes in its own jurisdiction before they can actually become effective. Copies of the amending legislation were sent to the provinces on Friday, and new draft agreements are ready to go forward for their consideration as soon as approval is given to the bill itself. The provinces will, naturally, be the ones to determine the dates on which these payments will commence within their jurisdictions.

I am assuming in all my calculations that all the provinces and territories will wish to enter into new agreements and to make them effective from November 1, but, of course, at the moment I have not had time to receive official word from the provinces on this point. There will be no difficulty about giving effect to the agreements retroactively to November 1, even though they may not actually be signed before the end of the year or a little later.

As far as I know, there is only one province where an actual amendment to the provincial law itself is necessary: and even in such case it has been the practice in the past, if a province so desires, to enter into a new agreement subject to an undertaking by the province that it will, at the next session of its legislature, present the necessary amendments for retroactive application and approval.

Mr. Martin (Essex East): What province?

Mr. Monteith: Prince Edward Island.

I think, therefore, we can rest assured that any provinces which wish to make these increased payments effective from November will be enabled to do so. At the same time, we must recognize the right of any province, having regard to its own circumstances, to delay its initiation of these changes to a date later than November 1 if it so desires.

In this connection, I would point out in reply to a question put to me last Friday by the hon. member for Comox-Alberni (Mr. Barnett) that as of this moment nine of the ten provinces are operating under new agreements, made effective earlier this year, providing for a maximum $46 monthly rate of benefit. One province—the province of Newfoundland—had raised its old age assistance rate from $30 to $40 as recently as September, 1956, and did not apparently feel

that it was in a position, less than one year later, in the early part of this year, to revise its level of benefit upwards to $46. The old age assistance rate continues, therefore, in the province of Newfoundland at the $40 level at the present time.

This brings me to a question raised by the hon. member for Trinity-Conception (Mr. Stick) who wished to know the distribution of costs between the provinces so far as this increased old age assistance is concerned. I have a table here giving this information. It is brief, and I might just as well read it:

	Estimated Additional Cost of Old Age Assistance Changes to Provinces (1958-9)
Newfoundland	$ 360,000
Prince Edward Island	45,000
Nova Scotia	360,000
New Brunswick	405,000
Quebec	2,220,000
Ontario	1,480,000
Manitoba	320,000
Saskatchewan	360,000
Alberta	395,000
British Columbia	500,000
Yukon Territory	2,500
Northwest Territories	7,500
	$6,455,000

The hon. member for Trinity-Conception will be interested to note from this table that the extra cost to the province of Newfoundland of implementing these present changes would be roughly $360,000 in a full year. It should, of course, be added that this does not include the added cost to Newfoundland of the additional $6, approved earlier this year, which has not yet been put into effect in that province. That would amount to perhaps an additional $200,000 in a full year.

Mr. Speaker, a number of members have referred to individual cases of which they have knowledge where they consider some injustice has been done because of the operation of certain ill-advised regulations or for other reasons. I hope I will be forgiven if I do not endeavour to deal with these individual cases in the course of this debate. The details of individual cases are not in the hands of the federal authorities; they can be obtained only from the provinces.

So far as the regulations are concerned, I have frankly, not yet had the time to examine them in detail as I should like to do before debating their merits or otherwise. I realize that there are numerous grounds for complaint about the regulations when viewed from the point of view of the individual applicant or the member who speaks on his behalf. I can only promise that I will undertake, as soon as feasible, a study of these regulations; that I will consult fully and freely with the provinces in regard to them; and that when we and the provinces are agreed on the changes to be made, I will be glad to report and explain those changes in the house.

I will conclude these comments, Mr. Speaker, by referring to a point of some importance to which no member of the house has, as yet, drawn attention. The question may arise in some minds as to why we are not proposing an amendment to the Old Age Assistance Act similar to the Old Age Security Act amendment, in respect of temporary absences. The answer is, of course, that in the case of old age assistance, this provision with respect to temporary absences is dealt with, not in the act itself, but in the regulations. We are ready, after consultation with the provinces, to change the old age assistance regulation on temporary absences in whatever way the provinces may consider reasonable.

Mr. Stick: Will the minister table the figures he read out?

Mr. Speaker: I understand the minister read the table in full. It will be reported in *Hansard*.

Hon. Paul Martin (Essex East): Mr. Speaker, I just want to comment briefly on this particular bill. We have made our submission in chief on the resolution stage and there is no need to traverse the whole field now, because we did it the other day. However, I should like to make one or two observations based on what the minister has just said.

He has told us he does not yet know how many provinces will take advantage of this enabling legislation, although last Friday I understood him to say, and, indeed, he repeated it today, that he had properly forwarded to the provinces copies of the bill which is now before the house. Do I understand the minister to say that notwithstanding this he has not yet heard by telegram from any of the provinces as to its intention in this regard?

The minister also observed that he had not yet had the opportunity to examine the regulations which provide for the administration of this particular measure, this being in the hands of the provincial authorities. In this connection he might, it seems to me, indicate in the course of this discussion whether or not it is the intention of the federal government to suggest to the provinces that the dominion-provincial pensions board which meets for the discussion of these regulations is likely to sit before the end of this year, not only to consider those regulations which are not acceptable to the minister,

if that should eventuate, but likewise to provide for whatever modifications in the existing regulations are thought to be desirable and necessary pursuant to the amendments which are now put forward, and which we on this side of the house have already indicated we accept.

There is no formula established, notwithstanding my hon. friend's obiter dictum yesterday, on any particular mechanism by which pensions hereafter can be geared either to the cost of living or to the gross national product. In that connection I would point out there has been some slight reduction, if my information is correct, in the gross national product. My hon. friend can see at once the implications of that situation as a result of the assurances which have been given in this particular context.

And then, of course, one is obliged to point out that this bill does not present what was urged upon the government in office before June 10 by the hon. gentlemen who now sit in the treasury benches. The government of that day was urged by the present Minister of Public Works (Mr. Green), the Acting Prime Minister today, by the Prime Minister (Mr. Diefenbaker) himself, by the Minister of Agriculture (Mr. Harkness), by the Minister of Transport (Mr. Hees) and by many other hon. members sitting on that side of the house, that the means test in the Old Age Assistance Act should be eliminated. Many days were spent in urging the government of the day to take that step and I simply point out at this time that as nothing was indicated in the resolution likewise nothing is now indicated in the bill to carry out the requests and the suggestions in that particular made so vigorously over a period of days by many of the hon. gentlemen who now sit on Mr. Speaker's right. When we get into a clause by clause discussion of the bill, Mr. Speaker, I will have one or two other observations to make.

Mr. Daniel McIvor (Fort William): Mr. Speaker, there is one question of detail which I do not think is generally known and I think it should be made known by the minister. If a person cannot prove his age by any other means he can have a tribunal of people who have known him over a number of years. I feel it should be made generally known that it is possible for a person who cannot prove his age by ordinary means to have this tribunal and be successful in qualifying for assistance under the act.

Mr. Claude Ellis (Regina City): Mr. Speaker, our views regarding the amount of the pension have been expressed on former occasions and it is not necessary to deal with the amount provided for in the bill.

Once again I want to stress that it is our belief that the group 65 to 69 years of age ought to be included under the terms of the Old Age Security Act. I say this for the reason that provincial governments are called upon to meet ever-growing responsibilities in the provision of medical health care, nursing home care, the provision of housing and so forth for our senior citizens. The inclusion of this group which is presently taken care of to some extent in the legislation before us within the terms of the Old Age Security Act would enable the provinces to do more in this particular field and I do suggest that it is a constantly increasing responsibility as far as the provinces are concerned.

Some reference was made a moment ago to the means test. Once again the inclusion of the age 65 to 69 group under the Old Age Security Act with the federal government undertaking the responsibility for the payment of the pension cheques would have the effect of removing the means test to the abolition of which a great many hon. members in this house subscribe.

I will conclude these brief observations by saying we are in full support of the bill and want to see it passed as quickly as possible. I suggest that the minister and the government give serious consideration to the lowering of the age under the terms of the Old Age Security Act in order that all people in Canada 65 years of age and over will receive equal treatment irrespective of the province of residence free of the means test.

Mr. T. J. Irwin (Burnaby-Richmond): Mr. Speaker, I wish to say a few words regarding this act. I do not think there will be too much discussion about the amount of assistance to be granted under the act because we have already had a great deal of discussion during the debate on the resolution. As far as this group is concerned we are going to go along with those who vote for this bill despite the fact, as has already been expressed, we do not believe the amount of assistance under the act is sufficient to meet the needs of those who require it.

My sojourn in the provincial legislature of British Columbia brought me into close contact with the operation of this statute and many of the people who are subservient to the regulations passed under this act. Although the minister disclaimed any intention of saying anything at the present time about the regulations I think some comment should be made upon them because although no question exists as to the desirability of having such an act and while the regulations have

not stultified the intention of the act they have nevertheless definitely curtailed its real effect.

So far as I am concerned I am in agreement with the purpose of this amendment despite the obvious inadequacy of the proposal to raise the assistance from $46 to $55. Why do I say it is inadequate? The hon. member for Coast-Capilano (Mr. Sinclair) in speaking the other day sought to justify the increase of $6 granted by the Liberal government earlier this year by pointing out that the sum of $6 represented a 15 per cent increase. I agree with the hon. member, Mr. Speaker. Figures do not lie but the trouble is that since the act was passed in 1951 the cost of living has risen by approximately 10 per cent. In light of the fact that the $6 represented a 15 per cent increase it appears on the face of it to have been a fairly generous increase but let us examine it a little more closely.

Under the legislation it is assumed that old age assistance was adequate in 1951; that is the only basis for assuming that the 15 per cent increase was generous. It must also be assumed that the $40 payment based on the 1949 consumer's price index was sufficient. I point out to you that that is not correct. The assistance was inadequate long before that. The purchasing power of the dollar in 1949 had been pared to the point here its purchasing power in terms of the 1935-39 cost of living index was approximately 52 cents and by September 1957 that had dropped to approximately 46 cents. In the light of these figures which can be verified by consulting the publication of the dominion bureau of statistics the $40 pension granted under the original act was entirely and hopelessly inadequate.

The factor that has helped the pensioners of British Columbia is that the supplementary allowance granted by the province amounts to $20 a month under a means test. The average payment is $19.12 to each pensioner over all classes of old age assistance recipients. I have every reason to believe that British Columbia will maintain the present supplementary payment thus bringing old age assistance in that province to $75 per month. It may be pointed out that in addition to this those in receipt of supplementary payments are also entitled to medical, dental, optical and hospital treatment. Thus it is evident that the goal of providing $100 per month to those who require old age assistance has already been reached as far as that province is concerned.

The objective of better treatment has not been lost sight of. Because of all the foregoing conditions, many of our elderly citizens cannot enjoy the comforts and pleasures to which their services to this country entitle them.

The present regulations under which the act is administered produce many hardships. For instance, take the case of a couple living say, in Manitoba; when the lady of that couple has reached the age of 64 we will assume that her husband passes away and the couple have children living in British Columbia. These children say to their mother "Look mother, there is no object in your staying alone in Manitoba, you might just as well come to British Columbia." So the lady goes. Now when she reaches the age of 65 she applies for old age assistance in British Columbia; she cannot get it because she has not been resident in British Columbia for three years. She then returns to Manitoba and applies there; she cannot get it in Manitoba either because she left that province before she was 65 years of age. The tragedy of this situation is that this lady will never get old age assistance under the present regulations because her initial application is held against her for the rest of her natural life. She could live to the age of Methuselah and she will never get this assistance under the present regulation.

Again take the case of an applicant who owns his or her own property. Five per cent of the assessed value of such property is deducted as income. The idea is that such people are not paying rent and the country does not intend to contribute to the establishment of an estate. That is the reason given for the regulations. The net result of course is that the 5 per cent simply raises the municipal taxes on that property. That is all that happens. It is all very well to say these people are not paying rent but the fact remains that they are paying taxes and those taxes, insurance and so forth are the basis of rent. Why add to that amount by adding 5 per cent of the assessed value?

Again if a person has beyond a certain amount in the bank or if they have an insurance policy that insurance policy must be surrendered and the income therefrom, plus any surplus in the bank, must be invested in a government of Canada annuity, the proceeds of which are regarded as income. It is entirely overlooked that these people who have such surplus in the bank and particularly such an insurance policy realize that without this protection, where there is a couple, one of them being left after the other has passed away, the one who is left has no insurance and will be without the wherewithal to give a decent burial to the deceased partner. Again there is no reason to believe that the people who have accumulated an amount during their lifetime did

not intend to spend it on the necessary comforts they hoped to have in their old age.

May I suggest to the government that they give our elderly citizens some consideration with respect to the matter of housing because that is an extremely important factor to the old age pensioner. I listened to my hon. friend from, I believe, somewhere in Toronto who spoke yesterday referring to the fact that they have a housing scheme in that city which provides bachelor quarters for old age pensioners at $35 per month. In view of the fact that Ontario does not pay any supplement may I point out that these people are getting only $55 per month and if they pay from this income the $35 a month for the shelter which they require, that will leave them a margin of only $20 per month upon which to live for the rest of that period. I submit that it is not a practical proposition to expect these people to live on $20 per month.

The suggestion has been made in my province that the federal government under the Central Mortgage and Housing Corporation could make special provisions for these elderly people who wish to get together and establish a community of their own, more or less on the lines carried out in Rotterdam during the reconstruction of that city. They would then be in a position of having their own village—if you wish to call it that—or it could easily be done in the form of another type of community which they would themselves administer and look after. They would then have an interest in life and would be able to provide the housing they require. It could easily be arranged that the income of anyone participating in such a scheme would not be such that they would be occupying premises needed for those living on lower incomes.

Another suggestion I would like the government to consider is this. My friends over there have been advocating that the means test be removed from the recipients of old age assistance in the age group from 65-69. I am inclined to go along with that up to a point but I would like to see the Old Age Assistance Act and the Old Age Security Act combined into one act with a means test, but that means test to apply solely to the eligibility of the person concerned to pay income tax. That is to say if a person or a couple were required to pay income tax since their relative tax would be more than their exemptions of $2,500 in the case of persons over 65, then when they become eligible for old age security at 65, they would be subject to that means test only. This would do away with all these other inflictions upon the elderly citizens of our country and give them a reasonable chance to enjoy the amenities which our productive system can provide.

We have been niggling and chiseling with respect to this question and the time has come to look at this problem—and it is a problem—from the point of view of our Christian civilization and our Christian approach to life. Let us look at this matter as a Christian community trying to do its best to look after the needs of those who have reached the point where they cannot meet their requirements themselves.

Governments and legislatures must change their policy and we must change this economic system of ours immediately. These things have got to be done as quickly as possible to strike the bonds of economic slavery from our people and give them freedom to live their lives in their own way wherever they wish to live them. We should give the hungry bread and the fruits of the earth will be theirs. I appeal to this government and this legislature in the name of the God to whom we here offer prayers every day to free the poor from slavery and want and feed the peoples of this earth lest they perish as a result of our neglect.

Mr. G. H. Castleden (Yorkton): Mr. Speaker, the words I have to say on this matter are very few. I was very interested in the constructive remarks of the gentleman who has just resumed his seat. I think his comments bearing on the regulations with regard to old age pensions and old age assistance are worthy of note and they just point up the fact that these matters require our constant attention. Much of the administration of these acts are left in the hands of the provinces and we know that the applying of the means test and all the rest of it can be a very expensive operation. I think this house is to be congratulated on the fact that it is bringing down with such rapidity this social legislation. It may not be all that we had hoped for, but at any rate, the house has got down to work in a very short time. The debate on the address in reply to the speech from the throne has been interrupted to get the legislation through with commendable rapidity. We have had legislation concerning cash advances, old age security, old age assistance, assistance to the blind and pension increases for those who are totally disabled.

In looking at this legislation, I wonder if we do not find in it something that is the real cause of a great deal of difficulty across the whole of Canada today, and that is the matter of inflation. The reason that we have to increase these pensions and allowances is that people find they are

unable to make ends meet on these allowances. They are in a condition of dire necessity and some of the cases are very tragic. A person cannot possibly live in most of the communities in this dominion of ours on the $40 per month or even the $46 per month. Fundamentally there is a big problem facing the Canadian people and this legislation points it out. It is the matter of inflation. When and where are those people who are in control of things in this country going to meet the problem of inflation. We drew the attention of the government to these facts during the speech from the throne, but apparently they neglected to do anything about them.

What is troubling the people who are trying to produce? I know that so far as the prairies are concerned, and I believe it is true in the rest of Canada, the big problem people are meeting today is one of the rising cost of production. Each day the costs go up. Involved in this problem of social legislation is the problem of people trying to make ends meet, to keep their business going. The matter of inflation is too serious to be neglected for very long. The idea of putting a little patch here or there is not going to remedy the situation. A few years ago we were told in this house that the cause of inflation was too much money chasing too few goods. This was the story the minister of finance gave us; it was the story the critics gave us and it was accepted by the Canadian people. But today, we have a different situation. We have a supply of goods. There is no scarcity.

Mr. Speaker: Order. I know the hon. member does not wish to turn this debate into a debate on the question of inflation, but it seems to me he is moving in that direction. I just remind him of that.

Mr. Castleden: Thank you very much. I think even you, Mr. Speaker, would admit that inflation is the basic cause behind the need for these amendments. If we could do something about reducing the cost of living by 30 per cent, then we would be bringing this kind of social legislation to all the people of Canada. We are pleased to support the increases in pension for these people who find that because of the increased cost of living the money which they are receiving does not meet their needs. I hope the government, if it does not do anything about inflation, will be prepared to introduce a further amendment next year and then, if the cost of living continues to rise, will introduce another one in 1959.

It has been suggested that it might be a good idea to link the pensions with the cost of living index. We will support this measure, and we will be glad to see it go through. It will help a number of people, but it will not help them for very long if we do not prevent inflation. I would suggest to the government that in the forthcoming dominion-provincial conference they look into this problem of having uniform regulations to cover all the people in these social assistance brackets. Something should be done towards providing equal treatment to all the people in all provinces. It is an unfortunate thing when, as the previous speaker mentioned, a person moves from one province to another and forfeits his right to this assistance. This is wrong. Surely while the provincial ministers are here at the conference, they could take a look at this social legislation.

People come under the Old Age Assistance Act because their income is too low or because, in many cases, their ability to earn has been curtailed by illness. These people do not voluntarily put themselves in this position. If one studies and works with these people for any length of time one finds that their greatest need is not necessarily money. They do not want a handout. They would like to make their contributions to society. If you can find some work for those who are partially crippled, find something for them to justify their existence so that they feel they are of some use in the world, then you will be doing a great deal more than merely providing them with the money upon which to live. I feel that, with that attitude, we can solve these problems. I feel our efforts should be directed towards enabling these people to help themselves and take part in the life of the community in which they live.

Modern industry all too soon casts on the ash heap the people who cannot keep up with the machinery as it is turning around. It is a sad thing that a man, while still in the vigour of life, finds himself out of work. Society will not have completed its task or its duty to these citizens who have given so much to this country until that part of the lives of our citizens is looked after as well as their physical needs.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I want to associate myself with the others who have spoken in favour of the bill that is before us. We do not feel that $55 is sufficient to give to the people who come under this legislation their fair share, their rightful share, of the great resources of this country. We certainly do feel that such a move is necessary at this time because of the very drastic rise in the cost of living.

I want to associate myself with the remarks of the hon. member for Springfield (Mr. Schulz) yesterday when he pointed out,

very ably I thought, the very serious impact that inflation and the rising cost of living have had and are still having on all of the government's welfare legislation, including the present measure. I feel that the increases from time to time in the cost of living make it necessary for us to look at our welfare legislation, and they have made the current amendments absolutely necessary.

However, I do feel that there should be some method by which there could be more frequent adjustments of the amounts paid out under this legislation as a result of the changes in the cost of living. In the past the delays in making changes have been far too lengthy to catch up with the very rapid increase in the cost of living. I am afraid that as the days go by right now, and as they will after this legislation becomes law, we will probably see a repetition of what has taken place in the past.

Mr. Monteith: We have a new minister.

Mr. Argue: We have a new minister. I am not arguing about that, but the reports that come out in the newspapers would not indicate there had been a new minister or any number of new ministers or even a change in the government. On this very question, I see in today's Toronto *Globe and Mail* a headline to the effect that we now, for the seventh month, have a rise in the cost of living index. It has reached a new peak.

While we have a new Minister of National Health and Welfare (Mr. Monteith) who is apparently trying to do something for the people affected under this legislation to help compensate them in some way for this rise in cost of living, I think he might have some discussion with the Minister of Finance (Mr. Fleming), the Prime Minister (Mr. Diefenbaker) and other members of the cabinet in order to see what can be done to protect the legislation that we are today passing.

Legislation has been brought forward to deal with increases in the old age security pension, blind pension, war veterans allowance, old age assistance and so on. However, it seems to me that in the field of welfare legislation there is one act which has obviously been by-passed by the present administration. In the days ahead I hope this omission may be rectified. I refer to the fact that there has been no announcement that there is to be a comparable and substantial increase in family allowances so that the purchasing power of the family allowance might be restored at least to the degree that it is being restored under the present legislation. I would suggest to the minister that there should be an increase in the family allowance by 60 per cent, as compared with the value of family allowances when they were first enacted in this country in 1944. If that minimum thing were done, it would restore the purchasing power of 1944 and 1945 to today's family allowances.

There is one other suggestion I want to make with reference to the provisions of this bill. In this act we have, as we have in many other acts, something of cost-sharing with the provinces. While this provision is made contributory in many ways, I feel that the federal government contribution should always be the larger amount or should always be a substantial amount, so that all the provinces may be able to share in this type of legislation.

I was pleased to hear the minister say this afternoon, as I believe he did, that he felt it was likely that all of the provinces would be able to share in the increase provided for in this legislation and make it available to persons within their provinces. We have a new minister as the minister suggests. We have a great many new ministers. We have many new faces in this house. Speaking for myself, I can say quite honestly that it is a refreshing thing when I speak now to have what appear to be so many interested members. I think part of the reason for that situation is that the government at this time has not a great preponderance of members in the house such as we experienced for so many years. It seems to me that members on both sides of the house are today much more in tune with public opinion than they were in many years gone by. We in this group felt that we were advancing the things that the people of the country wanted but when we faced the government on the opposite side with such an overwhelming majority we found that in many instances, our pleas fell on deaf ears.

As to the progress being made in this session so far,—and I include the progress which is being made in this legislation now before us—it would seem to me that we are making more and better progress with the house divided as it now is than we have made in any other year since I first came here in 1945. I think the government is much more likely to listen to public opinion and to listen to members of the house when it is a minority government than it is when it has a preponderant majority. While certain people may feel most uncomfortable about the present balance of power amongst the various parties in the House of Commons, I would suggest that the balance prevailing in the house today works and that it is

getting results for the Canadian people in reference to the legislation that is now being discussed. It seems to me that there are persons who are extremely uncomfortable in this present situation and it seems to me that most, if not all, of them are supporters and members of the government.

I have in my hand here today's *Globe and Mail*. It contains a statement attributed to the hon. member for Saint John-Albert (Mr. Bell), the national president—

Mr. Speaker: Order. If the hon. member proposes to read from the newspaper in support of the observations he has just been making I would remind him that they are not strictly in order on the second reading of this bill. He therefore may be taking up the time of the house unnecessarily by that digression, however interesting it may be.

Mr. Argue: Mr. Speaker, your observations may be correct within the rules of this house but it would seem to me that it is something of a reflection on the work we are now doing in this house when a member of the house—the member to whom I have just referred—makes a speech in which he says that an early election is not probable or possible, but that it is a certainty. I am wondering whether this government really intends to come to grips with the great problems that face this nation or whether it is going to be content with placing a few small patches on the garment represented by the difficult problems or the difficult condition in many respects, of the Canadian economy today and hope to escape by going to the country at an early date. As I understand public opinion in this country today, the people want members of parliament to stay in parliament and to do the business of the country as we are now doing it, and they will not give their general support to those members who go around the country and, instead of discussing legislation that is necessary, start threatening us and others with the possibility of an early election.

Mr. Speaker: May I 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, in rising in my place I do not intend by any means to announce the date of a future election in answer to the hon. member for Assiniboia (Mr. Argue). However, I would point out that we are amending this act to increase the amount of benefit payable to the recipient from $46 a month to $55 a month. We are also reducing the period of residence required from 20 years to 10 years. Those are the two fundamental points in the bill.

I pointed out that the period of absence will be adjusted in the regulations. In my opening remarks I also pointed out that I would examine the regulations at my first opportunity. All I can do is repeat that assurance and leave the matter at that.

The hon. member for Essex East (Mr. Martin) said he recalls that the Prime Minister (Mr. Diefenbaker), the Minister of Agriculture (Mr. Harkness), the Minister of Public Works (Mr. Green) and the Minister of Finance (Mr. Fleming) have all advocated abolition of the means test. I have looked through *Hansard* for some of those quotations. I do not recall them. Probably the hon. member could give them to me some time.

Mr. Martin (Essex East): I can give them to you now. Does my hon. friend want them right now?

Mr. Monteith: No; not right at the moment.

Mr. Martin (Essex East): I have them here. I have the page references and everything.

Mr. Monteith: Good.

An hon. Member: Why didn't you mention it in your speech?

Mr. Martin (Essex East): I did.

Mr. Gauthier (Portneuf): Why didn't you read it?

Mr. Monteith: We feel that we are fulfilling our immediate election undertaking in respect of old age security and of all of these related acts by the amendments we are bringing in at this time. I do not think I need say any more. Others have accused us of not living up to our election pledges. All I can say is I believe that the Canadian people will believe we are doing so.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Courtemanche in the chair.

On clause 1—*Agreements with provinces.*

Mr. Martin (Essex East): Can the minister tell us how many additional pensioners it is thought will be brought under the amended legislation, assuming the participation of 10 provinces?

Mr. Monteith: It will probably mean an additional increase of 5,000 in the case load.

Mr. Martin (Essex East): I think it is clearly understood that there are two basic amendments in the bill. Since this is enabling legislation, a province would not be obliged to accept both provisions. It might agree to the reduction of the age and not to the increase in the basic allowance. Is that my hon. friend's understanding?

Mr. Monteith: I am sorry.

Mr. Martin (Essex East): I am assuming that since this is enabling legislation, a province, in the agreement which it signs with the federal government, is not obliged to accept the benefits of the two amendments which are now proposed. It might agree to accept the provision having to do with the reduction in the period of residence but do nothing about the increase in the basic amount. While my hon. friend is dealing with that question will he indicate whether or not in fact two provinces have already said that that is exactly how far they will proceed?

Mr. Monteith: Mr. Chairman, no province to our knowledge has indicated, officially at any rate, that it does not intend to follow both amendments. Unless they amend their own legislation, revise their own regulations, to go along with us on this bill they will not coincide in both cases.

Mr. Martin (Essex East): Would it not be more correct to say that no province has indicated its intention at all in the matter?

Mr. Monteith: I did not say at any stage, Mr. Chairman, that any province had indicated its intention. All I said was that we have been co-operating with the provinces in discussing the future regulations which have to be signed so that we can put this into force as quickly as possible.

Mr. Martin (Essex East): My hon. friend and I are not really at cross purposes. I am simply indicating the implication in what he has said thus far is that no province has yet acknowledged receipt of a copy of the bill which was sent out on Friday last, and the minister is therefore not in a position to say whether any province will or will not accept.

When I spoke at the resolution stage of this matter I indicated and suggested that the minister should bear in mind the lurking danger in this particular instance as far as the provinces are concerned. He will find in the departmental files, as he has probably already found, some reasons and some justification for the suggestion I am now going to make. All of the provinces do not have supplementary payments and there are cases of need that cannot be met by the action of one of the senior levels of government. In those provinces where supplementary payments are provided a greater opportunity to meet special cases of need is afforded. That is true of the province of British Columbia, where the most generous supplementary allowance scheme exists and to a lesser extent in the provinces of Alberta and Saskatchewan and, to a much lesser extent, in the very limited supplementary arrangements provided for in the province of Ontario. In the other provinces no supplementary allowance is provided.

I hope my hon. friend will be aware of the possibility of a weakening in existing supplementary allowances on the part of provinces which have them, and a discouragement on the part of those provinces that do not have them, of embarking upon what I believe is the only mechanism possible for properly dealing with those very special cases of need which do exist. I hope that in the formulation of his policy my hon. friend has borne this very important factor in mind.

Mr. Monteith: From what I can gather, Mr. Chairman, the hon. member is intimating that it would appear to me that it is a matter for the provincial and municipal authorities to decide and I do not feel like dictating to them.

Mr. Ellis: Will the minister tell us the date upon which the provinces were first made aware of the details of these amendments.

Mr. Monteith: When the resolution passed the house the provinces were immediately informed by wire. Once the bill had been given second reading a copy of it was immediately sent to them by air mail. I presume they probably received it yesterday.

Mr. Ellis: Can the minister state what replies, if any, have been received from the provinces?

Mr. Monteith: No reply has been received.

Mr. Argue: Is the question of sharing the cost of this act and of similar acts between the provinces and the federal government on the agenda as a matter to be discussed at the coming federal-provincial conference? I merely express the hope it will be discussed and considered somewhere in the scope of fiscal policy or fiscal arrangements. Certainly, in actual practice and in actual fact this is a very important part of the financial responsibility of the provinces, as well as an important part of the financial responsibility of the federal government. Will facilities be available for discussing the sharing of the allocation of costs of this legislation and other similar legislation?

Mr. Monteith: Well, Mr. Chairman, I think the Prime Minister's letter to the various provincial premiers has been tabled, and it is intimated in that letter that the fiscal policy arrangements are going to be discussed. It has also been intimated that hospital insurance might be discussed. I do not think that any closure has been put on what might be—

Mr. Argue: May I ask a question? Since the door is not closed on this type of discussion, can the minister say whether he knows that such a discussion will be provided.

Mr. Monteith: No, Mr. Chairman, I certainly do not. No formal agenda has been drawn up.

Mr. Martin (Essex East): I would think this is rather an important matter. The minister has just said that when the dominion-provincial conference meets, on the 25th I think it is, for a two-day conference, hospital insurance, for instance, could be one of the items discussed. That was the statement the minister made two days ago in answer to a question from this side of the house, but if the minister will look at the correspondence between the Prime Minister of Canada and the premier of Saskatchewan he will find that is not the case. The Prime Minister of Canada has said that will not be a subject for discussion, so the hon. member for Assiniboia—

Mr. Monteith: I suggest the hon. member should look at the letter sent to the premier of Manitoba.

Mr. Martin (Essex East): I will do that in a moment, but I was calling attention to the letter to the premier of Saskatchewan. This is an important matter, having in mind the point made by the hon. member for Assiniboia that there should be an opportunity for discussion—

Mr. Monteith: I think this is all out of order. We are not discussing the clause in the bill which raises the amount payable from $46 to $55.

Mr. Martin (Essex East): I point out with respect, Mr. Chairman, that it is not out of order, because this measure will not become operative unless the provinces accept this legislation; the payments approved under it will not be available to any citizen in any one of the provinces. That is a fact.

Mr. Monteith: We are providing an opportunity for the provinces to come in under this act.

Mr. Martin (Essex East): That is why I believe the observation made by the hon. member for Assiniboia and the comments made by myself have a very great bearing on the question at the present time. I can see where a province which is worrying about the cost of hospital insurance—

Mr. Monteith: I appreciate that.

Mr. Martin (Essex East): And I know that point was troubling some of the provinces. Having in mind what their contribution under that scheme is going to be, and also having in mind what their contribution under this scheme is going to be, they will want to review not the one question but the whole question in these talks. I think the minister will agree that throughout our present discussions I have sought to be co-operative, and I hope I will continue to be co-operative, but I think he has put himself in a rather difficult position—or he has been put in a rather difficult position—by the letter of the Prime Minister to the premier of Saskatchewan and particularly by the Prime Minister's statement the other day that there was no commitment whatsoever, notwithstanding what the Minister of National Health and Welfare said, by the government of Canada, with regard to one item in the health and welfare program of Canada, the cost of which has got to be considered not only by this government but by other provincial governments as well.

Mr. McLeod: Mr. Chairman, in connection with this bill and one of the clauses thereof I should like to make a few remarks and offer a suggestion to the minister.

We notice that this legislation, like all similar welfare measures which have been brought before the house, places the onus on all the provinces to accept certain terms offered by the federal government. We know that some of the far western provinces of this country pay bonuses in addition to what is authorized by federal statute, and I do think the time has come for the federal government to give consideration to the legislation which exists in those provinces.

Therefore, Mr. Chairman, I am going to ask the minister if he will give consideration to the deletion of certain words which he will find in line 13 of clause 1, namely "Fifty per cent of fifty-five dollars monthly or" and then the deletion of the words in line 15 "whichever is the lesser".

The clause would then read, in part:

> The minister, with the approval of the governor in council, may, on behalf of the government of Canada, make an agreement with the province to provide for the payment to the province, in accordance with this act and the regulations, of amounts in respect of assistance paid by the province pursuant to provincial law, not exceeding, in respect of any recipient, fifty per cent of the amount of assistance paid by the province monthly to the recipient.

Mr. Chairman, I believe the time has come for the federal government to take another look at the whole question of this legislation and offer to co-operate with those provinces

who are trying to alleviate the position of those persons for whom they are providing assistance.

Mr. Monteith: Mr. Chairman, I understand the effect of such a suggestion as this would actually be the lowering of allowances in some provinces below the $55 figure. The suggestion would also mean going back to the governor general to get a new resolution to bring before the house.

As I said earlier, we are simply making it possible for the provinces to participate in increasing these allowances from $46 to $55 a month, and to reduce the residence period from 20 years to 10.

Mr. Hansell: Mr. Chairman, I should like to have a word to say with respect to the responsibility for fixing the regulations concerning the means test. I notice that under this legislation the allowable income for a single person is $960. For a married person and his spouse it is $1,620, and for a married person with a spouse who is blind, $1,980 a year. This means, of course, that these people are on a means test.

I should like to know who makes the regulations governing the means test. Is it done by agreement between this government and the provincial governments? If it is, then I think some of us have a small grievance in respect of the rigidity of these regulations, these restrictions under which the means test operates. For example, I noticed some time ago that on one of these forms a question was asked of some old people: how much have you had given to you in the form of vegetables? Now that is a tiny little thing. I know of a case where people did answer the question by saying: yes, we received a few sacks of potatoes. And yet that was considered as part of their income.

I took the matter up with the officials concerned and said I thought this was drawing the line pretty thinly, because these people had relatives who were farmers, and these farmers gave these people some vegetables. Farmers usually raise a lot of vegetables. They feed turnips to their hogs, and potatoes to their cows, and it is a very little thing for farmers to give vegetables to old people. And yet under this means test the question to which I have referred was asked.

I had another case brought to my attention where a young couple had a home in a village. They had that home for the purpose of returning to it after spending a busy day in town. They had a spare room in their house which they offered to their mother and when it came to analysing the income of that woman who was a widow it was considered that the room was worth a certain amount of money and was taken into account as part of the over-all means test.

I recall another case where a widow in receipt of old age assistance decided that two could live cheaper than one and so when the opportunity presented itself she took in a lady school teacher as a boarder. She thought perhaps she could make a little bit of money that way although it was not her intention to overdo the matter, but when it came to the means test the modest amount she received was considered as part of her income. These instances are almost too infinitesimal to even bother about, yet this unfair practice exists.

I know of another case involving an elderly lady who was in receipt of old age assistance. It was her custom to visit her daughter on a farm during the busy season of the year in order to help out by baby sitting, washing dishes and that sort of thing. She was on the farm for several weeks each year and the officials wanted to consider that as part of something she received in the nature of free room and board which affected her over-all circumstances.

I think that sort of thing is drawing the line too thin. When I have taken these cases up with the officials my answer has been, "Well, these are the regulations. We do not like to think we are picayune about these things but, you see, when the officials of the department come along and examine these cases and draw out the files and look them over they get after us if we do not administer the regulations properly." That is the story they tell me.

May I ask the minister who it is that makes these regulations and why do the regulations include such small things as those I have described? Surely a son can provide a room in which his mother can live without it affecting her pension under the means test. Surely vegetables and perhaps occasionally some groceries can be given to these people without it having this effect. What difference does it make? It is such a small matter it should surely make no difference at all. Who makes these regulations? Does the minister not think that at least in some instances the regulations governing the means test are pretty restrictive?

Mr. Monteith: Mr. Chairman, I would be very happy to point out to the hon. member for Macleod that the information which he has just requested is set out very distinctly under section 11, subsection 2 of the Old Age Assistance Act dealing with the alteration of regulations. Section 11, subsection 2 reads as follows:

No regulation by reference to which an agreement with a province has been made shall be

altered, except with the consent of the province or in accordance with the regulations to which it has agreed.

Subsection 3 of the same section dealing with the advisory board reads:

There shall be an advisory board consisting of two representatives of the government of Canada, appointed by the governor in council, and two representatives of each of the provinces with which agreements have been made, appointed by the governor in council on the recommendation of such provinces, to recommend such alterations to the regulations as may from time to time appear to be necessary or advisable.

Now, at the present moment there are some changes in the regulations and these have gone out to the provinces. As I mentioned earlier I can appreciate the fact that there are a lot of individual cases which undoubtedly come to the attention of hon. members and which may appear to be very much cases of hardship. If the hon. member for Macleod would give me the details of any cases with which he is familiar I would certainly have them looked into when, as I said earlier, I make a close examination and study of the regulations which I hope to do in the very near future.

Mr. Hansell: Thank you very much, Mr. Minister; and now may I ask this. Are these regulations standard throughout the country in all provinces or do they differ from province to province?

Mr. Monteith: They are standard, yes.

Mr. Hansell: Agreed to by the provinces.

Mr. Houck: Mr. Chairman, I think I understood the minister correctly but if I did not perhaps he could correct me. I understood the minister to make a statement a few moments ago to the effect that some of the provinces would have to pass legislation corresponding to this legislation. If that is a fact, Mr. Minister, would not the people in those provinces have to wait until that legislation is passed? If it is passed eventually, will those payments be made retroactive to the first of the month?

Mr. Monteith: That will be a matter for the provinces to decide but actually in the past, as I understand it, we have gone ahead. It has been the practice, I might say, to actually implement the increase and make it retroactive on the understanding that the legislation which does have to be changed will be changed at the forthcoming session.

Clause agreed to.

Clause 2 agreed to.

Title agreed to.

Bill reported.

96698—50

Mr. Speaker: When shall this bill be read the third time?

Some hon. Members: Now.

Mr. Speaker: Now, by leave?

Some hon. Members: By leave.

Mr. Monteith moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

BLIND PERSONS ACT

AMENDMENTS RESPECTING ALLOWANCE AND ALLOWABLE INCOME

Hon. J. W. Monteith (Minister of National Health and Welfare) moved the second reading of Bill No. 21, an act to amend the Blind Persons Act.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Mr. Monteith: Mr. Speaker, I suppose I might make a few remarks. I do not think much can be said at this time on second reading of the bill in addition to what I said in my opening statement when the resolution was introduced. I answered the questions raised by hon. members opposite as the debate proceeded. I think I might only remind the house at this stage that the purpose of the amending bill is twofold: first, to raise the maximum allowance to $55 monthly if the provinces agree and, second, to raise correspondingly the income ceilings by $120 a year in the case of unmarried recipients and $240 a year in the case of married recipients.

Hon. Paul Martin (Essex East): Mr. Speaker, we have already agreed with this amendment but I would simply point out in this connection that this bill likewise makes no provision for those things which hon. gentlemen opposite have urged including the elimination of the means test particularly in the case of the blind.

My hon. friend questioned awhile ago my assertion about the position taken by the hon. members opposite. I would like to draw his attention to the references to this particular measure and to others which could be found for his perusal at page 5070 in volume V of *Hansard* in the words attributed to the present Acting Prime Minister, the Minister of Public Works (Mr. Green).

An hon. Member: What year?

Mr. Martin (Essex East): 1952 and 1953 and then in volume I for 1952-1953 at page 90 the words attributed to the hon. member for Middlesex East and at page 476 of *Hansard* of

January 21, 1957, the statement made in the speech on the address in the words attributed to the Minister of Agriculture and to the Prime Minister when he spoke in the house on April 11, 1957.

I have not taken the time of the house to read these various statements which will however show that these hon. gentlemen now sitting in the treasury benches urged very vigorously the elimination of the means test with regard to the measure now before us, and this was done in a very exceptional way, not only with regard to the elimination of the means test but also to the establishment of special guiding allowances. Therefore I am sure my hon. friend will want to look at what I have said in the light of his statement a few moments ago.

I apologize to him that I have not been able to find the letter from the Prime Minister to the premier of Ontario which will confirm, unless my recollection is very wrong, what I said a moment ago regarding the inclusion of certain items in the agenda of the dominion-provincial conference on November 25. If I am in error on that point of course I would quickly apologize to my hon. friend but I do not believe I am. I saw the letter this morning—

Mr. Monteith: Did you say Ontario?

Mr. Martin (Essex East): It was a letter from the Prime Minister of Canada to the premier of Saskatchewan specifically denying what my hon. friend himself said a few moments ago that it would be included as an item in the agenda of the dominion-provincial conference.

Mr. Monteith: I did not say it would be included; I said it could be included.

Mr. Martin (Essex East): I apologize; my hon. friend is correct, he said it could be included. What I was pointing out was that the Prime Minister himself said in the letter to the premier of Saskatchewan that it could not be, which is in direct contradiction of what my hon. friend has now said. I am sure when he comes to examine that he will want to give further consideration to the reply he has made. I am sure that the house generally will accept this amendment because there is no class of people outside of those who are permanently disabled for whom this parliament and I believe other legislative bodies would be happier to provide material assistance by way of the amendment.

Mr. Claude Ellis (Regina City): Mr. Speaker, while we welcome the amendment providing for increased allowances I was rather disappointed that the minister in his short statement did not refer specifically to the remarks made the other night regarding special guiding allowances. There have been representations, of which the minister denies knowledge, made to members of parliament for a number of years specifically requesting special allowances, free from a means test by the government of Canada for all blind adults to cover the cost of guiding and other essential expenses peculiar to blindness. All members are aware that blindness imposes economic and vocational limitations; it makes necessary additional expenses for guiding, and vocational maintenance, to approximate the general proficiency achieved by sighted people by virtue of their possessing good vision. Under the circumstances I think the minister should see the merit of these representations that our blind pensioners while they incur ordinary expenses, which we of course maintain are not adequately provided for in the amount of the pension of $55, nevertheless have expenses over and above those incurred by people with good vision.

I would therefore suggest to the minister that he take a second look at these recommendations and make some provisions for a specific allowance to our sightless citizens, free of a means test to enable them to live on a standard comparable with other pensioners in this country who, by virtue of their sight, do not have the extra expenses attendant upon our blind citizens.

With this observation I am sure the arguments which have been raised on the other resolutions and other bills dealing with the amount of $55 apply here with equal force. I would like the minister when he closes this debate to indicate to us whether the government is prepared to give consideration to the recommendations of our blind organizations that the allowances I have just described be provided for.

Mr. J. C. Van Horne (Restigouche-Madawaska): I would just like to say a word or two in connection with this bill. I certainly would have hoped to see the means test abolished with respect to all pensioners in our country. However, I do find a little comfort in the fact that the members of this house are in agreement as to the objectivity of the abolition of the means test at the earliest possible date.

Mr. LaCroix: Mr. Speaker, it is now five o'clock.

Mr. Speaker: It being five o'clock the house will proceed to a consideration of private and public bills.

PRIVATE BILLS

BRITISH COLUMBIA TELEPHONE COMPANY

Mr. Douglas Jung (Vancouver Centre) moved the second reading of Bill No. 18, respecting British Columbia Telephone Company.

Some hon. Members: Explain.

Mr. Jung: The sole purpose of this bill is to permit the British Columbia Telephone Company to increase its authorized capital stock from $75 million to $250 million. For the benefit of some hon. members who may not be acquainted with this company may I give a very brief summary of its activity.

The British Columbia Telephone Company was incorporated in 1916 with an authorized capital stock of $5 million and it was at the same time declared to be a work for the general benefit of Canada. As a result of that declaration it came under federal jurisdiction and that federal jurisdiction is today exercised through the board of transport commissioners. The board has control over the service rates which the company may charge and also the issuance of any new stock. Since the date of incorporation of this company the company has found it necessary to ask permission to increase its authorized capital three times.

The first application was made in 1940 when the capital was increased to $11 million. A second application was made in 1947, increasing the capital again to $25 million. Finally, a third application was made in 1951 increasing the capital to $75 million. Now, the company finds this amount insufficient to carry out its program of expansion and is asking for permission to increase that sum to $250 million.

The British Columbia Telephone Company, Mr. Speaker, serves the southern half of British Columbia in which reside 93.6 per cent of the population of that province. The company also operates 91 per cent of all the telephones in the province, together with the major portion of the long distance telephone lines. The population of British Columbia has increased from 1,138,000 in 1950 to 1,399,000 as of June, 1956, an increase of 261,000 or 22.9 per cent in six years. This percentage increase is significant when it is compared with the percentage increase of 14.8 per cent for the whole of Canada. But even then, this percentage increase is not an accurate indication because between 1955 and 1956 the population of British Columbia increased by 94,000, which is twice the yearly provincial average.

The number of telephones, Mr. Speaker, increased from 246,486 in 1950 to 412,135 in 1956, an increase of 67 per cent. It is estimated that by the end of this year there will be a further increase of 42,196, making a total percentage increase in seven years of 84 per cent. In the urban areas unfilled applications are almost nil, but in some of the rural areas, because of the rapid expansion program and the tremendous distances involved, some applications have been delayed. As at December, 1956, the number of unfilled applications stood at 3,938. I understand that this number has been considerably reduced. The rate of expansion far surpassed the calculations of the company, because in a forecast prepared in December, 1952 for a five-year period ending December 31 of this year, the company prepared for 373,767 telephones. The figure will now be closer to 454,331.

In 1950 the company completed 5,479,000 long distance telephone calls. In 1956 the company completed 10,588,000, a gain of 93 per cent. The indications are that the demand will continue to increase considerably each year. From the foregoing hon. members will appreciate that there has been a tremendous program of expansion in British Columbia. This expansion has proceeded at a rate unforeseen by the company and has now exhausted the facilities in many manually controlled offices. The company has, therefore, embarked on a conversion program to dial operations. This, of course, has necessitated new buildings and new plants. In the event hon. members are concerned with the possibility of layoffs of staff because of this conversion, may I say that the number of employees of this company has increased from 4,490 in 1951 to 6,969 in 1957.

In order to meet the demands for service this company now has a project which will involve the expenditure of approximately $150 million over the next three years. In 1957, which was a record year for the company, there was an expenditure of $40,580,000. In 1958, the company will spend $51,644,000. At the present time the company has issued capital to the amount of $61,500,000. There is remaining, therefore, $13,500,000. I am informed that permission will be requested from the board of transport commissioners to issue a further $10 million, which will leave $3,500,000 in the treasury. It would obviously be impossible for the company to finance its expansion program with that limited amount. The present ratio between equity and debt is 46.3 to 53.7. Unless the request for an increase in capital is met, the company may find itself hard pressed to borrow further.

I am sure, Mr. Speaker, that some hon. members may wish to acquaint themselves

further with the operations of the company. I am, therefore, giving my undertaking that when this bill is referred to the proper committee I shall have the responsible officials of the company here so that members may determine the facts for themselves. I hope I have established that this company is a vigorous and expanding company. It has embarked on an extremely ambitious, but nevertheless much needed program of expansion to keep pace with the growth of British Columbia. In addition, this will provide employment at a time when employment is most needed. For all these reasons, I am happy to move second reading of this bill.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, this private bill to grant the British Columbia Telephone Company permission to increase capital from $75 million to $250 million is a very important one to the people of British Columbia. I realize that the company has made a great expansion in services since the last increase in capital was authorized by an amendment moved in this house. I listened with a great deal of interest to the history of the company's record and its intentions given by the sponsor. However, I do want to take this opportunity of bringing to the attention of the house a situation that I feel requires correcting.

We all know that the board of transport commissioners exercises, to some extent, jurisdiction over this company. The board has control of rates, but has no control over services. In order to illustrate my point, Mr. Speaker, I want to mention a small community in my constituency about seven miles south of the very productive city of Trail. In this community there are approximately 30 potential telephone users. The road between Trail and this small community known as Casino—although there are no casinos there—is along the bank of the Columbia river and provides very easy country for road construction and the building of public utilities. These people have been served by power by the West Kootenay Power and Light Company, but for many years they have repeatedly made application for service by the British Columbia Telephone Company and those applications have been turned down.

The people of this community then took up the matter with the public utilities commission of British Columbia and found out, because this company came under the jurisdiction of the board of transport commissioners, the public utilities commission had no authority to issue any orders with respect to services to be provided or rates.

As the board of transport commissioners had no authority to order this company to extend their services in any direction or to provide any services, I am sure it is obvious to everyone that there is a gap in the necessary controls that either the federal or the provincial government should have over a public utility which has a monopoly in the area concerned. In my opinion there should be some amendment to the powers of the board of transport commissioners in this case, in view of the fact that the company is incorporated under federal legislation, in order to provide them with the power to issue instructions with respect to services.

I admit that the company have made great improvements in the interior of British Columbia; they have improved the services; they have installed automatic telephones in many communities and have extended the services. But, in my opinion, when a small community such as that within seven miles of the city of Trail requires telephone service, and has required it for years, it should be granted to them, according to the controls that should be exercised by the board of transport commissioners. I cannot see why these companies should have the opportunity to skim the cream off the business, as it were, and to deny services to communities such as this one.

In this case the expense involved is a very small amount indeed. I mention this matter at this time because I promised the residents of the community of Casino to bring this matter to the attention of the house and to suggest that the house give it some consideration. I think I will get some support from other members from British Columbia. There must be other instances of similar denial of service by this company.

I am glad that the bill will be referred to the committee on railways, canals and telegraph lines. I trust that we will have an opportunity to examine the officials of the company and to ask questions and that, before this bill returns to this house, I shall have some assurance that the community of Casino will be provided with telephone service by the British Columbia Telephone Company.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, at the outset I wish to congratulate the hon. member for Vancouver Centre (Mr. Jung) for the lucid explanation he gave us in introducing this bill. I was much interested in the observations he had to make because the British Columbia Telephone Company as such plays an extremely important part in the economy of our province, as he explained only too well. I know that in the period of the past few years the system has undergone a considerable change, particularly in my own area where we have developed the automatic dialing system. I also realize, from

personal experience, the difficulty the company has had in its expansion program, although I understand that part of the problem resulted from lack of ability to get supplies where they wanted them rather than lack of financial capital. However, whatever the case might be, I am sure that all these factors might come to light.

The problem mentioned by the hon. member for Kootenay West (Mr. Herridge) is one that is probably peculiar to his area. I am sure that it and any others that might be in need of an answer will be brought to light when the bill is referred to the standing committee on railways, canals and telegraph lines. After we have had the proper authorities before us to discuss the question at that time, we shall probably have something to say on the matter at a future date.

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I was interested in the explanation of this bill given by the hon. member for Vancouver Centre (Mr. Jung) and in his recital of the history of this company. I recall going into the history of this company myself 20 years ago in the provincial legislature in British Columbia when the public utilities commission was first set up. I discovered that this utility, the second largest or perhaps it is the largest one—I am subject to correction—in the province was put outside the scope of the public utilities commission because of its federal charter, and I investigated the history which was extremely interesting at the time. I am not going to go into the details of it now, but I should like to support my colleague the hon. member for Kootenay West (Mr. Herridge) in his contention that either the board of transport commissioners should be given power to order extensions of service where necessary and economically feasible or else some steps should be taken to return this company to the control of the provincial public utilities commission.

The hon. member for Vancouver Centre paid some tribute to the way in which this company has been extending its services. I am not quite sure what some of my neighbours would think if they had heard him. Seven unfortunate neighbours of mine are obliged to share a telephone with a member of parliament and can get hardly any use from the phone at all because neither they nor I are able to get a single direct line. None are available and none have been available, and the company can give me no assurance that at any time in the foreseeable future am I going to get it. Perhaps the $250 million capitalization will enable them to save my neighbours from that embarrassment.

Mention was made by the hon. member for Kootenay West of the board of transport commissioners' authority over this company. It may be of interest to the house to know that in March, 1953, the board of transport commissioners held a hearing on an application for rate increases by this company. That application was opposed by the provincial government of British Columbia and, I believe, some 60 municipal councils. In the course of presenting their case in opposition they cited certain practices of this company with regard to the purchase of equipment, and the contention was made that grossly inflated prices were paid by the British Columbia Telephone Company to affiliated companies in the United States for the equipment which was used in the services of the British Columbia Telephone Company.

They listed at that time the enormously complicated family tree of which the British Columbia Telephone Company is one small member. I am not going to attempt to trace it for you, Mr. Speaker, as it is far too complex. However, in consulting Moody's Annual I notice some rather astonishing figures with regard to some of the values of the present capitalization of this company. I am not sufficient of a financier to know exactly what type of shares are listed in Moody's Annual, but it shows some 10,000 preferential six per cent cumulative shares, on which in 1956 there was earned $480.25 a share of a par value of $100. In Moody's Annual I also found reference to the recent merger by which the British Columbia Telephone Company had now been joined to an even larger conglomeration of United States utility, finance and manufacturing companies.

After the board of transport commissioners, in March, 1953, held their hearing and cut down, in some respects, the application of the company for an increase in rates, an application was made by six citizens of British Columbia to the combines investigation branch on the basis of evidence that had been adduced before the board of transport commissioners. I understand that the hearing which was started by the combines investigation branch was not completed. Consequently there is no definite documentary evidence with regard to the investigations made. However, in the report of the director of investigation and research for the Combines Investigation Act for the fiscal year ended March, 1955, there is reference to the application which was received in July, 1953, from six citizens formally applying for investigation into the operations of the local telephone company and affiliated companies. While this report, in conformity with the regulations when an inquiry is not concluded, is extremely careful and there is no mention of the name of the company, it is purely an

assumption on my part, Mr. Speaker, that it must be the same company referred to.

I make that assumption because apparently the complaint was precisely on the grounds of the case presented by the government of British Columbia. At that time it was discovered that preliminary inquiry indicated that the purchasing procedures and company interrelationships described by the applicants were, as of the date of the application, or shortly prior thereto, substantially correct. That is to say, the telephone company purchased its supplies by private contracts through and from companies which were related to it by various intercompany stock holdings. The telephone company had a supply contract with a related company whereby the related company served the telephone company in the purchase of telephone equipment, the repair and rehabilitation of equipment, the assembly and installation of switchboard and central office equipment and the storage and warehousing of telephone equipment.

It also states in this preliminary report that while there was no specific evidence discovered of a combination to set prices in contravention of the Combines Investigation Act, it was nevertheless true that there was an agreement by these interrelated companies to supply equipment to their related company or child in British Columbia under non-competitive rates; that is to say, they were going to make an agreement on their prices.

Now, Mr. Speaker, it may be that this company requires the extra capitalization that is called for, and certainly I would not wish to stand in the way of the British Columbia Telephone Company supplying a much more efficient and effective service than it has ever done in the past, supplying the communities which for 15 years have been demanding some care from this company, communities which were told at the end of the war that now that the war was over their requirements would be serviced. I would not want to stand in the way of this company doing that, but I would want to make sure that they are going to do it. I hope that when responsible officials of the company appear before the committee they will be prepared to answer some questions with regard to the interlocking relationship with United States corporations of whom the British Columbia Telephone Company is now a wholly owned subsidiary; that they will be prepared to answer some searching questions as to the prices the telephone company pays for equipment compared with prices paid by other telephone companies to other manufacturing companies. If it does appear before the committee that the telephone company has been wasteful in the way of distributing its present returns, then some steps will be taken to see that in the future the people of British Columbia get the telephone service they are entitled to at the minimum cost without being obliged to pay tribute to companies which are outside the control of this parliament, the board of transport commissioners or any body set up by this parliament.

Mr. A. B. Macdonald (Vancouver-Kingsway): I would like to supplement in a few words what was said by the hon. member for Kootenay West (Mr. Herridge). I think the past has certainly demonstrated that this company in the province of British Columbia has not displayed that social conscience which should be part of a public service operation. I had the experience in the 1930's —I think it was 1936—of working for a crown company, the Dominion Telegraph Company, which was engaged at that time—although I was just carrying a pick and shovel—in resetting the telephone pole lines in the interior of British Columbia through centres such as Lytton, Lillooet, Bridge River, and 100 Miles. All I can remember about it now is that it was a very hard job; it was a 10-hour job in the hot, broiling sun of the British Columbia interior but I want to tell the house what happened. These lines were being operated by the Dominion Telegraph, at the expense of the country as a whole, as a loss operation, performing a useful public function. But as the population increased along those lines and businesses came in, as it got to the point where it was a profitable operation, of course, the British Columbia Telephone Company took it over. I do not think the parliament of Canada has any ownership or equity in those lines any longer.

I can see the point made by the hon. member for Kootenay West, that when there is really a public service operated under the dictates of private profit the public service is sacrificed to the needs of private profit and I can see the necessity, when you have something which is a public utility, of seeing that if they make profits in the rich areas such as the lower mainland of British Columbia, then they have a duty to operate, if necessary at a loss, to carry that service, when it is badly needed, in the rural areas.

I welcome the statement made by the hon. member for Vancouver Centre (Mr. Jung) that this matter is to be referred to a standing committee of this house. I hope this point that has been brought out will be one of the things that will be dealt with by the

committee. I hope the committee will investigate as to whether or not the increased capitalization that is asked for can in some way be put on the market in such a fashion that Canadian people, and particularly British Columbia investors, can have, yes, control of that undertaking.

I agree with the hon. member for Nanaimo (Mr. Cameron) that it is a pity that one of our essential services in the province of British Columbia should be under remote control of a giant United States company, the American Telephone and Telegraph Company, which, of course, has very little interest in service in the province of British Columbia.

I should like to know whether in the past, in the stock issues that have taken place, there has been any share-splitting or any stock dividend. I should like to know what assurance we shall have that in the future, if this increased capitalization is granted, it will not be bartered away in whole or in part in the form of stock dividends. Therefore, I appreciate the introductory remarks which have been made, Mr. Speaker, and hope that when the committee has investigated this matter further we shall be in a better position to judge the merits of this bill.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to add a few words to supplement the remarks which have already been made by the hon. member for Kootenay West (Mr. Herridge), the hon. member for Vancouver-Kingsway (Mr. MacDonald), and the hon. member for Nanaimo (Mr. Cameron). I must say I feel that the citizens of British Columbia have been and still are placed in a rather embarrassing and humiliating position with respect to the question of the extension of needed telephone service in various areas and communities in the province.

I think the suggestion that was put forward that there should be some form of public jurisdiction over the extension of services is one which should receive the proper attention of this house or, as was suggested, should be handed over to a proper jurisdiction within the province of British Columbia.

I have had the experience myself on more than one occasion since I have been in this house of making representations to the telephone company on behalf of my constituents in the province of British Columbia, and while I have received a very courteous and attentive hearing to the representations I have made, I must say that when it comes to a basic public utility and a public service of this kind it is not right that one should have to go with a cap in hand attitude to make representations in respect to the extension or improvement of telephone services.

I am glad that the opportunity has been afforded by the introduction of this bill by the hon. member for Vancouver Centre (Mr. Jung) to raise some of these matters, and I am sure that when this bill comes before the committee a great many questions will be raised, as has already been indicated, which hon. members will look forward to hearing answered to their satisfaction.

I do not want to repeat at any great length the comments which were made by the hon. member for Nanaimo, (Mr. Cameron) but certainly there are questions which, I feel, the officials of the company should be prepared to answer to the satisfaction of the committee.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I rise not to oppose the bill, because I am sure it has merit, but to put a point of order. A motion has been made that the bill be referred to the—

An hon. Member: We are on second reading now.

Mr. Chevrier: Then I withdraw the remarks I have made. I intend to make them when the motion on second reading is before the house.

Mr. Speaker: May I inform the hon. member that the motion before the house now is on the second reading of this bill.

Mr. Chevrier: Will Your Honour hear me in that case? What I should like to say is that the bill cannot be referred to a committee in accordance with the rule of the house—it is rule 105—because the committees have not been established. It is the practice to refer these bills to certain standing committees, in the case of this particular bill to the committee of railways, canals and telegraph lines or, if that is not the responsible committee to which it should be referred, then to the private bills committee. But since the striking committee has not been established, as the leader of the house will surely confirm, then I am afraid this bill cannot be sent at this time to either the committee on railways, canals and telegraph lines or to the private bills committee in accordance with rule 105.

Mr. Green: The striking committee will be set up either tomorrow or Thursday. We are just waiting for the Prime Minister to return.

Mr. Barnett: Would the leader of the house mind speaking more loudly so we can hear him in this corner of the house?

Mr. Green: On the point of order, Mr. Speaker, we hope to be able to move to set up the striking committee either tomorrow or on Thursday. As I said a moment ago I am just waiting for the Prime Minister to return.

But I do not think the interpretation which the hon. member for Laurier placed on rule 105 is accurate because these standing committees are listed in the rules of the house, and I do not think that the fact that this committee has not acually been set up, and is not in a position to function at once, would abrogate rule 105 which makes it mandatory to refer every private bill, once it has received second reading, to one or other of the committees of the house.

Mr. Chevrier: If I may speak again, the rule is quite clear, and perhaps I might read it:

> Every private bill, when read a second time, is referred to one of the standing committees as follows: bills relating to banks, insurance, trade and commerce and to trust and loan companies, to the committee on banking and commerce; bills relating to railways, canals, telegraphs, canal and railway bridges, to the committee on railways, canals and telegraph lines; the bills not coming under these classes, to the committee on miscellaneous private bills, and all petitions for or against the bills are considered as referred to such committee.

If this bill gets a second reading it should in that case go to the committee on miscellaneous private bills which is not in existence. I raise the point of order because I think it is my duty to do so. I do not do it to hold up the bill. I think perhaps, that if the bill were left standing, then when the committee has been established or set up it could at that time be referred to the committee mentioned in the rules.

Mr. Green: Mr. Speaker, I think the error in the argument made by the hon. member for Laurier would be disclosed if this fact is considered: suppose the striking committee is set up tomorrow. It may take some days to agree on the personnel of the different standing committees, and then it might be some days after that before the personnel are called together, a chairman appointed and the committee is really in a position to function.

I do suggest that the rule should not be construed to mean that no private bill can get second reading until all these steps have been taken. That just does not make sense. The rule merely says that on second reading every private bill must go to one or the other of the standing committees. In this case it happens to be the practice to refer telephone company bills to the standing committee on railways, canals and telegraph lines. Other bills might go to the banking and commerce committee or to the miscellaneous private bills committee.

But I do suggest, Mr. Speaker, that were you to rule as requested by the hon. member for Laurier it would only mean throwing a monkey wrench into the machinery of the house, which is far from the real intent of this rule 105.

There is another aspect of this matter, which is that there is a limited time available for the consideration of these bills, depending on what other private bills are brought in. This bill might not come up again for consideration for weeks, and I think it would be unfair to bring about that result by a ruling in favour of the submission made by the hon. member for Laurier, certainly if the house is willing to give second reading to the bill this afternoon.

Mr. Speaker: I want to thank hon. members for the assistance they have given me in this matter. This is a problem which I have considered already because of the difficulty which the hon. member for Laurier saw. Actually, what we have before us is the second reading of the bill, and until the second reading has been given, no problem arises.

The hon. member for Laurier has posed the problem of what happens then, and he refers to standing order No. 105 which does automatically refer this bill to the appropriate committee when the second reading has been given. There is precedent for that in the rulings of Speakers in the past. On April 17, 1950, the Speaker, considering the point whether or not a motion was necessary after second reading had been given to a private bill to refer the bill to the appropriate committee, decided that no motion was necessary because standing order 105 automatically transferred the bill to the appropriate committee when second reading was given by the house. I follow the hon. member to that point.

Then the hon. member raised a further question, whether the fact that the committee has no members has any effect at that time. I think perhaps I should not deal with the point in advance but I have considered it and I would like to tell the house that my view now, right or wrong, is that these are standing committees and although you may say there is no committee if there are no members the rules of the house do provide for the existence of a standing committee on railways canals and telegraph lines to which this bill would automatically be referred under standing order 105, and so I do not think there is any difficulty at the present time. I feel, as

presently advised, that there will be no difficulty if second reading is given that the bill will be referred automatically but it cannot be considered by that committee until it is constituted by having members, but it is a committee in being under the orders of the house.

Mr. T. J. Irwin (Burnaby-Richmond): Mr. Speaker, would it be permissible to move the suspension of standing order No. 105 subsequent to second reading to permit this bill to be submitted directly to the committee of the whole house?

Mr. Speaker: The hon. member would have to govern himself as he sees fit. I am not here to give him advice on matters of that kind.

Mr. Irwin: With your permission, Mr. Speaker, I will make the motion for the consideration of the house.

An hon. Member: You can make the motion but the answer is no.

Mr. Irwin: I move, seconded by the hon. member for Okanagan Boundary (Mr. Christian):

That by leave of the house standing order No. 105 be suspended and that Bill B from the Senate be considered in committee of the whole house after second reading.

Mr. Green: Mr. Speaker, I submit that that motion is out of order. A motion of that type cannot be made until a bill has received second reading and even then it would be out of order.

Mr. Chevrier: And until 48 hours' notice has been given.

Mr. Speaker: I think the hon. member will appreciate that he cannot make that motion except by the unanimous consent of the house which he does not have.

Mr. A. D. McPhillips (Victoria, B.C.): Mr. Speaker, when speaking on the debate on second reading my friend the hon. member for Vancouver Centre (Mr. Jung) was perhaps just a little bit sketchy in dealing with this company because I think the house got the impression that this company was incorporated in 1916. Well now, a company was incorporated in 1916 by private act of the parliament of Canada, it is quite true, but it was not the British Columbia Telephone Company; rather, it was the Western Canada Telephone Company. In that statute there was provision for that company to change its name with the consent of the secretary of state for Canada to the British Columbia Telephone Company and there was also power given to that company to take over the undertakings of a provincial company known as the British Columbia Telephone Company Limited.

Actually, Mr. Speaker, this company has a very long history when the length of civilization, you might say, in the Pacific province is considered because it starts with the incorporation in 1880 of a telephone company known as the Victoria and Esquimalt Telephone Company. Then there was a further telephone company established in 1884, the New Westminster and Port Moody Telephone Company which afterwards changed its name to the New Westminster and Burrard Inlet Telephone Company. There was also the Nanaimo Telephone Company established in 1892 and an incorporated company known as the Vernon and Nelson Telephone Company came into being in 1890. The latter company caused a little amusement in British Columbia because at that time the people on the coast wondered why the tea-drinking Englishmen who paid tribute to the time honoured custom of playing cricket and growing apples in Vernon wanted to talk to the hard-working, hard-drinking miners in Nelson; but anyway a company bearing that name was incorporated.

That company had extensive amendments made to its act of incorporation and by a process of absorption, after first changing its name to British Columbia Telephone Company, Limited, it drew in these various other smaller companies and at a long time prior to the passage of the Western Canada Telephone Company Act in 1916. I might say that this telephone operation, in 1916, was not a penny ante operation, it was a big one in the province of British Columbia. It had seen the ordinary development of the province. It had been through the boom we had in that province in its development prior to world war I, the development during the war years and the development in the roaring twenties, as they were called. It existed through the further development prior to the last war, during the years of the war and the development which occurred following world war II.

What puzzles me, Mr. Speaker, is the fact that in the whole period from 1880 on until now this very large operation got by with a capital of only $75 million. A long time has elapsed since then and there were several real boom periods which occurred in that period. As a matter of fact there are $13,500,000 of shares still in the treasury not issued.

I join with my friend the hon. member for Vancouver Centre in expressing the hope that in committee there will be responsible officials of this company present prepared

to answer questions. I hope they will be extremely well briefed. It seems strange to me that with this long and extensive operation extending over so many years during which the company operated with an overall capital of $75 million, not all of which is issued, we should now be asked to give this company power to boost its capital to $250 million.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

CANADIAN WHEAT BOARD ACT

AMENDMENT TO BRING FLAX AND RYE UNDER JURISDICTION OF BOARD

The house resumed, from Friday, October 25, consideration of the motion of Mr. McCullough for the second reading of Bill No. 10, to amend the Canadian Wheat Board Act.

Mr. William Bryce (Selkirk): Mr. Speaker, I wish to rise in support of this bill. I have always been against speculation concerning the food of the nation which is one reason I wish to support it. I do not think there should be speculation at any time concerning the food of a nation.

When the hon. member for Moose Mountain (Mr. McCullough) spoke a few days ago he referred to the fluctuation that had taken place on the market in rye and also in flax. If these commodities were under the wheat board such speculation would not be possible and fluctuation would be curbed.

It has always been the practice on the prairies for a farmer to pay his debts in October. In my 40 years in this country grain has always been cheaper in October than at any other time of the year. After it passes out of the hands of the farmer and into the grain trade the price begins to rise.

After the farmers got the wheat board we were able to get an average price for the things we had to sell, that is, in the way of grain. I think the wheat board has a lot to offer the farmer; it is not perfect by any means but it is better than anything we have ever had as far as giving the farmer a fair deal is concerned.

Now I notice that when we are talking about anything in connection with the wheat board or the grain exchange the hon. gentlemen in this house who in private life are lawyers get up. How ridiculous would it be for me to get up in a bar association meeting and tell them what I thought. I would never get near their organization to tell them what I thought about their business but they get up in this House of Commons and tell the farmers what to do. They belong to the strongest union in the world, the lawyers' union; they can crucify a man, they can take away his bread and butter and still they have the audacity to get up and tell the farmer what he should do.

The farmer knows what he wants and if it were not for these lawyer fellows preaching about the grain exchange we would have got the things we wanted long ago. We have had two wars and what happened whenever we were at war? They took the grain away from the grain exchange and sat down and did things in a businesslike way; they could not afford to speculate then.

The troubles we have had in selling our crops have taken place since the Liverpool corn exchange was opened; while it was closed we had no trouble selling our grain, nation to nation, but now it is quite different. I do not want to hinder progress in this matter; I believe in the principle and I support the bill. I hope furthermore that the farmers in this country will also support it and let the lawyers go their own way.

Mr. H. E. Smith (Simcoe North): Mr. Speaker, I make no apologies whatsoever to the hon. member for Selkirk (Mr. Bryce) in rising to speak on this bill. I am a lawyer but I also represent a substantially agricultural riding and I am sure that any lawyer who practices in a small Ontario town knows the problems of agriculture. I am also sure that all members who represent rural ridings would in principle support this bill. It is a step forward in the orderly system of marketing another agricultural product. It is in the interests of all of us who are concerned with the farming industry to bring more stability to that industry.

We in Ontario are not familiar with the marketing of flax although the hon. member for Lisgar (Mr. Muir) who is an experienced farmer tells me that he is supporting this bill in principle and that by far the majority of the farmers of western Canada are interested in this matter. However, I think the timing of the bill is unfortunate. There are other farmers in Canada besides those in western Canada. They too have their problems and it is unfortunate—or perhaps I should say it is fortunate—that our friends in the corner of the house who have presented this bill do not have any members representing rural ridings in eastern Canada. Therefore they no doubt are not so sympathetic with the problems of the Ontario farmer.

I think we members from Ontario assisted in expediting the bill to provide cash advances for farm-stored grain because we realized it was a matter of vital importance to the economy of Canada, but now we would like

some priority to be given to legislation which will help the Ontario farmers and if you will read the order paper—

Mr. Pickersgill: Where is the Minister of Agriculture?

Mr. Smith (Simcoe North): —there is a motion on the order paper to support prices for other farm products. That is a matter of vital interest to my constituents in rural Ontario.

Mr. Pickersgill: Where is the Prime Minister?

Mr. Smith (Simcoe North): Surely it would be only fair if the Minister of Agriculture and his department were allowed to present that legislation rather than be forced—

Mr. Pickersgill: Where is the government? Out electioneering?

An hon. Member: Read your newspapers.

Mr. Smith (Simcoe North): —to have to deal with this bill, which we think is not as emergent as the legislation needed for eastern farmers. May I call it six o'clock?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

BLIND PERSONS ACT

AMENDMENTS RESPECTING ALLOWANCE AND ALLOWABLE INCOME

The house resumed consideration of the motion of Mr. Monteith for the second reading of Bill No. 21, to amend the Blind Persons Act.

Mr. J. C. Van Horne (Restigouche-Madawaska): Before the recess I expressed the hope that we would all work in unison for the complete abolition of the means test, wherever and however it applies. In my humble opinion the means test is not only unfair, it is downright unjust. The insistence upon a person being poor to get a pension and remaining poor to keep it is a subtle means to punish our good people who have worked and saved a few dollars or who have acquired property or who wish to supplement their meagre and insufficient pensions by continuing to earn a few dollars.

I have long felt that, age-wise at least, the most unfortunately placed people are those between 65 and 70 years of age. One of the main reasons for this is the iniquitous means test as it applies to them. They are forced to retire at 65, and more often than not on a pension that is not only inadequate but which is just enough to prevent them from obtaining a government pension. They are unable to obtain work but are obliged to maintain the heavy expenses of keeping up a home. These good people are caught between the uncharitable, near-sighted and in some cases almost inhuman policies of industry on the one hand and the foolish and unnecessarily penalizing laws of government on the other. Sir, the pendulum has swung hard against our senior citizens. Wherever the means test reaches it wreaks havoc upon those who come under its yoke. I sincerely hope that this government will not fall into the same unfortunate attitude in regard to the means test as afflicted the late and unlamented government.

This afternoon I heard the hon. member for Essex East (Mr. Martin) speak about the means test. Why did he not, and why did not his late and happily deceased government recognize this problem? Why did they refuse to correct this unfortunate situation during the long, dreary and unproductive years they were in office? In so far as the blind people are concerned, the means test constitutes a particularly unjustifiable cross to be borne by people whose cross in life is already well nigh unsupportable. What strikes me as puerile and unjust in this measure, as in the previous similar measures with which I have dealt during the past two years, is the stark fact that here again we are insisting that a blind person be poor to receive the pension and stay poor to keep it.

Why do we not say to these people, here is an increase; good luck to you. If you can go out and, in spite of your handicap, supplement this pension by earning more, then so much the better. Let us give him our best wishes instead of this means test. Of course, coming from the maritimes as I do, I have long ago learned that half a loaf is better than none. In this case, the slice is so thin I can hardly see it. It is in this light that I approve of this measure as another faint step forward. In this case, let me assure you that I sincerely feel that this act, instead of reading as it does, should read that the means test has been abolished.

Hon. J. W. Monteith (Minister of National Health and Welfare): There were one of two things mentioned during this debate on second reading—

Mr. Speaker: Order. May I inform the house, as I should have done when the minister rose, that if the minister speaks now he will close the debate.

Mr. Monteith: There were one or two things to which I should like to refer at this time. The hon. member for Regina City (Mr.

Ellis) spoke concerning the means test. I should like to say that it is true, as I took occasion to remark last Friday, that we are not by this bill acceding to the request made by the Canadian National Institute for the Blind to the former government only a year ago for an added means test free guiding allowance for every blind person in Canada. This will not result from the measure before us, but we will achieve by this legislation, and its companion old age security measure, an actual increase since the beginning of the year of at least $15 per month in the case of the 9,000 people who will henceforth be eligible for blindness allowance and the 8,000 people on the old age security rolls. This will, I am sure, be recognized by the blind themselves, and by their friends and admirers, the people of Canada, as a major step forward in the provision of adequate social security for a most worthy and deserving section of our Canadian people.

I might point out also that the hon. member for Regina City claimed that there was not sufficient variance between the allowable income for a sighted person and a blind person. Actually the variance is quite definite. At the moment, for instance, the allowable income as we are proposing it for a sighted single person will be $960, and for the blind person it will be $1,200. In the case of a sighted married person the allowable income will be $1,620, and for blind persons the allowable income is $1,980. In my opinion there is quite a leeway there.

During the debate on second reading, the hon. member for Essex East (Mr. Martin) referred to certain pages of the *Hansard* record containing speeches by members of our party. I should like to mention only the quotations which he did actually put on the record. Reference was made to a speech by the present Minister of Public Works (Mr. Green) reported on page 5070 of *Hansard* for May 9, 1953, in which he advocated federal assumption of 100 per cent of the cost of blind allowances and the abolition of the means test for blind persons. However, may I point out that the quotation used by the hon. member for Essex East was put on the record during the debate on the Old Age Assistance Act. No mention was made by the Minister of Public Works of any abolition of the means test under the Old Age Assistance Act. The reference is purely and simply to the Blind Persons Act. I certainly believe the hon. member did indicate and intended to indicate that this applied to the Old Age Assistance Act.

Mr. Martin (Essex East): Will my hon. friend permit me to ask a question? Is he suggesting the Minister of Public Works did not advocate the abolition of the means test for old age assistance?

Mr. Monteith: Yes, certainly not in these references; this reference is to the blind. However, the quotation was referred to at the time of the debate on the Old Age Assistance Act. While the Minister of Public Works did make that speech in 1953, at the same time the Canadian National Institute for the Blind were advocating abolition of the means test for the blind, today the institute is not advocating that. They are advocating now, and I will admit have so advocated for the last year or so, a means test free guiding allowance.

The hon. member for Essex East indicated that on page 476 of *Hansard* for January 21, 1957, the present Minister of Agriculture (Mr. Harkness) had urged the abolition of the means test. The hon. member again indicated that this had something to do with the Old Age Assistance Act. Actually, in this speech the Minister of Agriculture is urging a means test free guiding allowance, but there is not one word about the abolition of the means test from old age assistance or blindness allowances; not one word. May I only say in respect to that, Mr. Speaker, that this representation by the institute for the blind was made to the previous government. We expect to receive this representation.

We have not received it yet but as I have explained before this legislation is purely and simply to keep the whole body of social security legislation in line as of the moment, to give an increase to $55 a month to recipients of old age security, old age assistance, blind pensioners and disabled persons. That is our prime motive, and also to reduce the residence requirement and to extend the absence from Canada rule.

The hon. member for Middlesex East (Mr. White) was referred to by the hon. member for Essex East as having advocated the abolition of the means test for old age assistance. I should like to read what the hon. member for Middlesex East said in his speech on November 25, 1952, as found at page 90 of *Hansard*. At that time he said:

> Another thing noticeable by its absence is the removal of the means test in connection with pensions to blind persons.

He was simply referring to the speech from the throne. All he said was:

> Another thing noticeable by its absence is the removal of the means test in connection with pensions to blind persons.

I cannot see how under any consideration one can take that to mean that he advocated the abolition of the means test for old age assistance.

There is another thing to which I should like to refer. Reference was made to a speech of the Prime Minister (Mr. Diefenbaker) on April 11, 1957 in which he was supposed to have given some indication that he was in favour of the abolition of the means test for old age assistance. May I simply state that in his speech of April 11, 1957 there is no reference of any kind to abolition of the means test with regard to either old age assistance or blind pensions.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Courtemanche in the chair.

On clause 1—*Agreements with provinces.*

Mr. Martin (Essex East): Can the minister tell us how many additional blind persons will be covered by the proposed amendment which is an amendment to an act introduced by the previous government?

Mr. Monteith: I have that figure some place, Mr. Chairman; it is somewhere in the neighbourhood of 750 persons.

Mr. Martin (Essex East): There are, as I recollect, about 20,000 blind persons in Canada. Of that number there is quite a group who are included for benefit under the Old Age Security Act and others who are now covered by this amendment and the law as it exists now. Can my hon. friend tell us how many blind persons out of the 20,000 group will not in any way be affected either by this measure or by the Old Age Security Act.

Mr. Monteith: Possibly some of these figures might be explanatory, Mr. Chairman. I will just put them on the record. As of March 31, 1957, the Canadian National Institute for the Blind registration records showed that there were 22,279 blind persons of all ages in Canada. Of these some 8,275 were on the allowance rolls in September. All of these have benefited or will benefit from the $6 monthly increase provided earlier this year and the $9 monthly increase in benefit now being provided.

It should further be noted that of the 14,000 blind persons in Canada not on blindness allowance, well over half, some 8,000, are over 70 and in receipt of old age security. They too will benefit in all cases by the additional $9 monthly benefit to be provided under the amended Old Age Security Act as well as by the extra $6 a month provided earlier.

This leaves approximately 6,000 blind persons not on old age security and not on blindness allowance at the present time. Numbers of these are on other forms of benefit—war disability pensions, war veterans allowances, provincial workmen's compensation and so on. Others are dependent children in their parents' home. These, of course, are in receipt of family allowances. Still others are persons of independent means, wives, daughters or relatives of persons in a position to provide them with a reasonable measure of economic security.

An additional number, perhaps 500 to 1,000 of these remaining 6,000 persons, will benefit by the increased income ceilings now proposed in this amending bill and will come partially or wholly under the benefits of this legislation for the first time.

Mr. Martin (Essex East): I want to understand my hon. friend correctly. I think the 6,000 figure he mentions is deceptive in the context in which I understood it. What my hon. friend indicated was that there were about 700 individuals—

Mr. Monteith: Between 500 and 1,000.

Mr. Martin (Essex East): Between 500 and 1,000 who may possibly benefit from this particular amendment. Am I right in that?

Mr. Monteith: That is right.

Mr. Martin (Essex East): Can my hon. friend tell us how many blind persons in the 22,000 total he gave us will not benefit from this legislation or from any other measure to which my hon. friend has made reference?

Mr. Monteith: No, I cannot because there are certain numbers who at the moment are in receipt of disability pensions, war veterans allowances, provincial workmen's compensation and so on, and I do not actually have that figure. It would be something less than 5,000.

Mr. Martin (Essex East): Am I wrong in suggesting that it is considerably less than 5,000 and closer to 2,500?

Mr. Monteith: Who would not benefit?

Mr. Martin (Essex East): Who would not benefit from one of these measures in one way or another.

Mr. Monteith: I think it might even be more than 2,500.

Mr. Martin (Essex East): My hon. friend has mentioned that the Canadian National Institute for the Blind is not now asking for the elimination of the means test but is asking for an increased guiding allowance. Am I correct in that?

Mr. Monteith: Yes.

Mr. Martin (Essex East): The minister entered into a little disputation involving the correctness of some quotations that I had

suggested. We are now, of course, dealing with the Blind Persons Act. I wish my hon. friend had taken exception to my observation when we were dealing with the Old Age Assistance Act but there will be another opportunity when I will indicate, just as I have done under this measure, that certain hon. gentlemen opposite did argue, not only for the elimination of the means test in the case of the blind but also in the case of old age assistance.

Mr. Monteith: Not in the quotations you mentioned this afternoon.

Mr. Martin (Essex East): No. We are now discussing the blindness allowance. My hon. friend has confirmed what I said, about the Minister of Agriculture and the Minister of Public Works. He referred to the mere sentence that the member for Middlesex West uttered.

Mr. Monteith: Not announced in the speech.

Mr. Martin (Essex East): If my hon. friend reads that sentence again he will find that it can be construed as only one thing in the context and that he meant, as in fact he did in other speeches—

Mr. Monteith: That is not what he said.

Mr. Martin (Essex East): —which I do not have readily before me and which can be obtained quite readily by my hon. friend from the distinguished gentleman who sits close by him, that he was one of those in this house who did advocate not once but many times in this house the elimination of the means test.

Mr. Monteith: The quotation on *Hansard* does not illustrate that.

Mr. Martin (Essex East): My hon. friend is going to have on another occasion a flood of those speeches which will support what I am saying. I went through this and I know it did not last for only a few minutes; it lasted for several days.

Mr. Cardiff: There is no use in looking for something that does not exist.

Mr. Martin (Essex East): The whip keeps interrupting. That is the measure of his contribution in these important debates.

There were many other hon. members who advocated it sincerely. The distinguished lady member for York-Humber, for whom I have the highest regard, was one of those who advocated the elimination of the means test for the blind. I have her statement here. I am not quarrelling about that suggestion, but what I am indicating now is that when we sat over on those benches it was alleged by the opposition, now sitting on the treasury benches, that we were remiss in not doing the very thing which the government, through the Minister of National Health and Welfare, has just now indicated it does not think it should do.

Mr. Monteith: I did not indicate that. I said I would take it under consideration in further consideration of the bill.

Mr. Martin (Essex East): I say to my hon. friend one of the most convenient things I learned in 12 years was for a minister to take things under consideration.

Mr. Hodgson: Confession is good for the soul.

Mr. Martin (Essex East): The difference between the government of which I was a member and my hon. friend is that when we took things under consideration they were followed quickly by action.

Mr. Monteith: How do you like this bill?

Mr. Martin (Essex East): But tonight we have the distinguished member for Middlesex West—

Mr. Thomas (Middlesex West): On a point of order, Mr. Chairman; the hon. member has mentioned the member for Middlesex East and the member for Middlesex West; he has mentioned both Middlesex East and Middlesex West in his remarks. I would be very glad if he would make clear which one he means. I would also like to point out that there was a change in Middlesex West in the last election.

Mr. Martin (Essex East): Mr. Chairman, I think the point is well taken; but the opportunity will soon be present, I take it from what the Prime Minister said, to deal with that situation.

The Minister of National Health and Welfare I am sure will not disagree with what I have just indicated. I do not say I disagree with the stand he has taken. Once again I say this legislation, which is an amendment to an act which was introduced in 1938 by the previous administration, is something which I am sure receives the strong support of all sections of the house, because, as the hon. member for Restigouche-Madawaska has said, this is undoubtedly a proposition that appeals to all of us notwithstanding the fact that he is not satisfied with the measure on two counts, namely, that it does not go far enough and it does not eliminate the means test.

Clause agreed to.

Clause 2 agreed to.

Bill reported, read the third time and passed.

DISABLED PERSONS ACT

AMENDMENTS RESPECTING ALLOWANCE AND ALLOWABLE INCOME

Hon. J. W. Monteith (Minister of National Health and Welfare) moved the second reading of Bill No. 23, to amend the Disabled Persons Act.

He said: Mr. Speaker, the purpose of this amending bill is a threefold one, as I indicated in my statement on the resolution. It raises the maximum monthly allowance to $55 if the provinces agree. It increases the over-all income ceiling by $120 in the case of single persons and $240 in the case of married persons. Both of these changes are the same as those we have debated and approved earlier today in connection with old age assistance. They have already been fully explained. There is, therefore, no need for me to discuss them more fully at this time.

The third change is designed to open the way for certain patients in infirmaries, homes for the aged and institutions for the care of incurables, to benefit for the first time from disability allowances. I gave a detailed explanation of the reasons for this proposed change in my statement on the resolution and hon. members will find that statement on page 683 of *Hansard* for November 1 last. I do not think there is any necessity for me to repeat those arguments at this time.

Reference was made in the course of the debate on the resolution to the need for a less restrictive definition of total and permanent disability than that which was in the regulations originally. Actually, as many hon. members who were in the former parliament will know, there was a change in the definition agreed upon with the provinces and made effective from July 1 of this year. This is a much simpler definition, the text of which is as follows:

> For the purpose of the act and these regulations, a person shall be deemed to be totally and permanently disabled when suffering from a major physiological, anatomical or psychological impairment verified by objective medical findings which is likely to continue indefinitely without substantial improvement and, as a result thereof, such person is severely limited in activities pertaining to normal living.

Two meetings of the federal and provincial medical reviewing officers—all of them outstanding medical men in their own communities—have been held since disability allowances began on January 1, 1955. The purpose of these meetings has been to establish so far as may be possible common and uniform interpretations of various types and degrees of disability across this country. The most recent of these meetings was held on June 25 of this year, to consider the application of the new definition which I have just quoted. It is my impression, Mr. Speaker, that we still have some distance to go before we can really say that we have established a satisfactory degree of uniformity in the application of this definition in the various provinces. But I can assure the house that we shall do our utmost in future to ensure that there is a fair, a reasonable and a uniform application and interpretation of this definition of total and permanent disability in all the provinces of Canada.

Meanwhile, I believe that I can give the house some tentative indications that the new and more generous definition of disability is having its effect. The net increase in the disability allowance case load in September was 1,272, the largest increase for any month since September, 1955. Only in five months since the disability program began, namely May to September, 1955, when the program was just getting under way, have there been greater increases than in September of this year. Furthermore, the increase of 2,461 for the last quarter, July 1 to September 30, covering the period when the new definition has been in effect, was greater than that for the two preceding quarters put together, and greater than for any three month period since the end of December, 1955.

I submit, Mr. Speaker, that this provides pretty convincing evidence that the new definition adopted on July 1 of this year is having a beneficial effect. I suggest we should give it a try before deciding, perhaps prematurely, that it needs a further change.

A final word on costs. I will content myself here with repeating what I said in this connection at the resolution stage of the debate. We had at the end of September a case load of 35,490. With the effects of the new definition and the further changes now proposed we can estimate that this case load will rise and that it will average perhaps 43,000 or even more through the fiscal year 1958-59. The additional cost of the $9 monthly increase for this larger case load would therefore be in the neighbourhood of $4.5 to $5 million for a full year, with costs divided equally between the two levels of government.

Mr. Martin (Essex East): I think, Mr. Speaker, that whatever observations I have to make I can make on the bill.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I welcome the provisions of this bill and the new definition of permanent and total disability. I am also pleased to note that the number of persons who will be able to benefit from this act is to be increased, but even

after hearing the explanation given by the minister it would seem to me on the evidence I have that the definition has not yet been sufficiently broadened.

I referred earlier, speaking in another debate, to the question of whether at the coming dominion-provincial conference such welfare acts and the provisions for the application thereof might not be discussed. The minister may have one interpretation of the effect of the letter written to the premiers by the Prime Minister (Mr. Diefenbaker), but my understanding, in the light of the letter written by the premier of Saskatchewan on September 10, was that this may in fact be a polite way of saying no, because the premier of Saskatchewan listed quite a large number of items which he hoped would be discussed at the conference and they referred specifically to the financial arrangements for various welfare measures and their application.

I think most hon. members of this house have found that the definition of total and partial disability has been far too rigid. Instances have been brought to my attention of persons who are so disabled that they are completely unable to earn a livelihood for themselves and have become a burden to their relatives, but because of the very rigid definition of permanent and total disability they have not been able to receive benefit from the act.

I want to refer to the stand which the Saskatchewan government took on this particular matter on September 10 and to point out to the minister that this was during the month in which he said the largest number of additional persons could obtain benefit from the act, and to emphasize that even in this month when more people were coming under the provisions of this act, the feeling of the Saskatchewan government was that the definition should be further broadened. The premier has said that the Saskatchewan government has always felt that the old age assistance provisions were much too rigid and that they should be relaxed so as to provide an income under this act to persons who are unemployable, and that is the type of relaxation which the Saskatchewan government has in mind.

The minister has said that the door is not closed upon a further widening of this type of definition. I hope that in the near future there will be a further relaxation of these regulations. It seems to me that it is incongruous that a province which is short of revenue and which has always had difficulty in providing the revenues needed to carry out the undertakings in which it was engaged should have to go to the federal government and ask that regulations be relaxed in order to bring more people under the act and, consequently, to increase in this instance the financial burden resting on that province. I think that is a very definite indication that even though we have gone some distance in relaxing the regulation there is some distance yet to go.

Mr. F. C. Christian (Okanagan Boundary): Mr. Speaker, I feel this is a progressive step but I am not altogether happy about the amount being increased to only $55 a month. I would have been much happier had it been $60 a month. With regard to this particular act, I would say that, strictly speaking, it is not a disabled persons act. In order to qualify under this act a person has to be 18 years of age and have resided in Canada for a period of 10 years and, moreover, I understand that such a person must be totally and permanently disabled. I say, therefore, that this act is limited in its application because it excludes a large number of people.

Sitting here and hearing about this amended definition which was given as of July 1, 1957, I wondered why there were not some other definitions in this particular act; for example, definitions covering partial permanent disability and also temporary total disability. I note that it is intended that there should be a proper interpretation of total and permanent disability, but the application of this act at the present time is limited to a certain type of individual who is totally and permanently disabled. It would seem that it may probably be expected that some time in the future this measure will be broadened so that it will provide greater coverage and include all those persons who suffer partial permanent disability and also temporary total disability. I trust that these matters will be considered by the government.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Courtemanche in the chair.

On clause 1—*Agreements with provinces.*

Mr. Martin (Essex East): Mr. Chairman, the other night when we were on the resolution stage dealing with this particular measure I took occasion to mention the fact that there were many hon. members in this house who from time to time had recommended to governments of the day the adoption of a measure of this character but tonight I think I would like to repeat what I said in that particular in so far as it concerns the man who more than any other was responsible for the idea which led to the enactment of the Disabled Persons Act. The suggestion was made to me as minister of

national health and welfare shortly after the election of 1953, an election in which this particular matter was not the subject of public comment from any quarter. To the right hon. gentleman who now leads the opposition in this house must go credit for the suggestion and the possible formulation of this measure and because of his distinguished public service in many outstanding ways, as one who was minister of national health and welfare, I would like to pay him this very inadequate but very deserving tribute tonight.

The minister referred to the definition of disability which has been liberalized. He said that the new definition made under the regulations became effective, if I understood him correctly, on the 1st of July last. Am I correct in that?

Mr. Monteith: Yes.

Mr. Martin (Essex East): I am sure the minister did not wish to convey the impression that the refinements or modifications in the definition of disability in the regulations were made by the administration of which he is so distinguished a member.

Mr. Monteith: No, I had no idea of doing that.

Mr. Martin (Essex East): Yes. I mentioned this because, as my hon. friend knows, consideration was given to that long before there was a change of government. As I said the other evening, the original definition was restrictive. I had expressed the view that it was not fully satisfactory. It had been arrived at as a result of careful consideration and consultation with medical authorities and the provincial governments and followed an extremely close scrutiny of the practice in this particular in the United States and more particularly in those states where they had disabled persons' legislation.

I believe that the definition that has now been accepted by most of the provinces—although I am not clear on that subject and I will ask my hon. friend to be more precise—is one that I am sure is more in keeping with the spirit of this particular legislation than the older definition.

The figure of 43,000 which my hon. friend has quoted tonight as the estimated case load for the ensuing fiscal year is a pretty good indication of the effectiveness of the new definition but what disturbed me a little bit in what the minister said was that he hopes to be able to establish a wide measure of uniformity of interpretation among the provinces. Perhaps he might give us some indication as to exactly what he means. How many provinces have accepted the definition? Have all accepted the definition or are one or two reluctant to do so? Does he mean that in the case of those provinces that have accepted the definition there is not yet a standard acceptance of interpretation that leads to the same result?

I think the house should understand, however, that some measure of tolerance must be provided to the minister in the making of his reply because quite obviously as much depends on medical advice in determining whether or not a person is permanently and totally disabled it is not possible to have a mathematical or exact interpretation in each case and in every province. All that we could hope for is the use of the widest discretion having in mind the general direction of the definition on the part of the medical profession in the various provinces.

I would also like to know how many provinces are now in on the scheme, how many have indicated that they are prepared to accept this amendment. Perhaps the provinces have not yet had an opportunity of replying although I understood the minister sent this bill on to the provinces as he did in the case of the other measures. As a result of these changes is it the intention to call the provinces together once again particularly for the purpose of considering another clause of the bill which we can discuss when we come to it, that clause dealing with institutional care?

My hon. friend has said that the cost of the amendment is somewhere in the neighbourhood of $4.5 million and as the cost will be shared equally this means that the federal government will have a permanent charge of at least an additional $2 million.

There is one other point which I think should be mentioned under this clause. It was the practice of the previous administration to provide for an examination of each application by both the federal and provincial governments and some exception was taken, particularly by the province of Ontario, to the role played in these examinations by the federal medical representative. I always felt that the attitude taken by the province of Ontario was regrettable. I was sure it was not in the interests of the act and this seemed to be confirmed by the acceptance of this practice by all the other provinces. I do not know what the situation is now but perhaps the minister would be good enough, when he replies to these questions, to indicate what the situation in that particular happens to be at the moment.

Mr. Monteith: Mr. Chairman, all the provinces have accepted this new definition. First of all, sir, may I say that it is far from my intention to leave any impression

that the present government is responsible for the implementation of that definition. While it only became effective on July 1 it certainly was decided upon considerably before then. As my hon. friend will probably remember, we passed the resolution stage of this particular bill only yesterday and as a consequence copies of the bill were mailed out as late as yesterday.

Mr. Martin (Essex East): I am sorry; you are quite right.

Mr. Monteith: Of course we have received no indication whatever as yet.

Mr. Martin (Essex East): You are quite right.

Mr. Monteith: I understand there have been some differences of opinion as to the medical review board which considers these applications. The board is composed of a doctor representing this department, a second doctor representing the provincial authority and in disputed cases a third doctor decided upon between them. I do not think my hon. friend asked any more direct questions.

Mr. Martin (Essex East): I said that I did not quite understand what my hon. friend meant when he said he was going to endeavour to obtain the widest measure of uniformity of interpretation with regard to the definition of disability.

Mr. Monteith: With respect to the medical review board, the last time the board met was on the 25th June this year. Now I presume that is the second meeting they have had since the implementation of this act in 1955. Such a meeting would I believe iron out a lot of the different thinking across Canada and possibly another meeting could be held some time in the comparatively near future, but certainly it would in my estimation be desirable to come to an overall interpretation of this definition so that a case would be treated in Alberta just as it would in Quebec, and the same in Ontario as in Prince Edward Island.

Mr. Argue: I would like to ask the minister if there have been any conferences with any officials or ministers of the Saskatchewan government in reference to the application of this act or the regulations under the act? On the other hand are there any conferences now scheduled for the near future?

Mr. Monteith: We have not had any representations with regard to this matter from the government of Saskatchewan but it could very well be that a discussion of some kind could be held, even informally, at the time of dominion-provincial conference.

[Mr. Monteith.]

Mr. Argue: I am surprised at the minister's answer, Mr. Chairman. Is the minister not aware that the premier of Saskatchewan in the letter addressed to the Prime Minister to which I referred some time ago discussed the application of this act and the need for broadening the definition of disability? Is the minister also not aware that in that very letter the premier of Saskatchewan asked for such a conference or meeting with the minister to whom I am now speaking and who is dealing with this legislation?

Mr. Monteith: The hon. gentleman had already referred to that letter and I felt he had his mind on some other correspondence.

Mr. Argue: Well then, may I ask what was the reply of the minister to this request or what was the reply of the government to the letter addressed to the Prime Minister by the premier of Saskatchewan asking for a conference with the Minister of National Health and Welfare or other representatives of the federal government in order to deal with the very question we are now discussing, namely the application of the regulation defining disability under this act.

Mr. Monteith: Not having either the letter or the reply before me at the moment I am not in a position to give an exact answer but I would certainly be very glad to find out what it was and let the hon. gentleman know.

Mr. Argue: Well I think that is a rather strange answer from the minister. I have in my hand a reference to such a communication and I feel I can state that such a letter went to the Prime Minister and such a request was made.

Mr. Monteith: I am not saying it was not.

Mr. Argue: It would seem to me that when such a request has been made on such an important provision of such an important act suggesting there should be a conference with the provincial officers or the members of the provincial government the minister in question should know what his own reply was to that request. I do not expect him to carry around every request that is made to his department or every answer to every letter received, but it would seem to me that a request from a premier of a province addressed to the Prime Minister relating to the administration of an important act such as this and to such a controversial regulation should have been brought to the attention of the minister and, if it had been, I am quite certain the minister would now recollect whether he agreed such a conference would

take place or whether he decided there was no need for such a conference.

Mr. Monteith: All I can answer in reply to the hon. member's suggestion is that I can say I would be very happy indeed to meet with the minister of health or the minister concerned in the province of Saskatchewan to discuss the whole thing.

Mr. Argue: I want to welcome that statement by the minister. I may be wrong in my assumption but I assume that this is the first indication by any member of the government that such a conference could be held and I am sure the premier of Saskatchewan and the minister of social welfare will be very pleased to have such a conference with the minister or the officials of his department in regard to this regulation.

Mr. Monteith: I think it is only fair to say that while I may not have suggested a conference on this particular subject I would be very happy to meet at any time with any minister or any premier on any matter pertaining to any part of my department.

Mr. Argue: I think that is an excellent answer but since a specific request was made for a specific meeting the only question in my mind is why a reply in the affirmative was not given some months ago.

Mr. Zaplitny: Before we carry this clause which amends section 3 of the act I would like to draw attention particularly to subsection 2, paragraphs (e) and (f) because the effect of the change proposed in this amendment may be rather obscured unless the minister is in a position to place before the committee what the actual result will be. What is being done in this amendment is to take from paragraph (e), as it was in the old act, three categories of persons who are disqualified under the act from receiving the allowance and placing them in paragraph (f) where there is a permissible clause which states "except as prescribed under the regulation".

Now the categories being moved from one paragraph to the other are those patients in a home for the aged, an infirmary or institution for the care of the incurables. Under the section as it stood those persons were not eligible for the disabled persons allowance. However, by moving them into paragraph (f) they may become eligible provided they are made so eligible by the regulations. That is my understanding of the change.

I would like the minister to give us if he can this evening the pertinent part of the regulations which can create an exception under paragraph (f); in other words by what ruling in the regulations can persons who are in an infirmary, a home for the aged, an institution for the care of incurables or private, charitable or public institutions be made eligible when they are otherwise ineligible.

Mr. Monteith: Section 22 - 2 of the regulations as amended earlier this year reads as follows:

> A recipient who is a patient or resident in a nursing home or a private, charitable or public institution may be paid the allowance if he is paying or there is being paid on his behalf by a member or members of his family or by any other relative or relatives or by any other private individual or individuals the whole or the greater part of the cost of his accommodation therein.

If I may mention it at this time, Mr. Chairman, as the hon. member for Dauphin pointed out, section 2 (f) included the institution in which an exception might be made. Section 2 (e) actually was the prohibitive section and under the interpretation of the old designation in the act there was great difficulty, for instance, in exactly determining the difference between an infirmary and a nursing home. It was felt that it was not too difficult to interpret the exact meaning of tuberculosis sanatorium and mental institution. As a consequence, all the other types of institutions were moved down to section 2 (f), which permitted the possibility of paying these allowances.

Clause agreed to.

Clause 2 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

WAR VETERANS' ALLOWANCE ACT

AMENDMENTS RESPECTING ALLOWANCES, INCOME, COVERAGE, ETC.

Hon. A. J. Brooks (Minister of Veterans Affairs) moved that the house go into committee to consider the following resolution:

> That it is expedient to introduce a measure to amend the War Veterans' Allowance Act, 1952, to increase the monthly rates of certain allowances and permissible income; to extend the provisions of the act to additional classes of veterans, widows and orphans; and to increase the salaries of the members of the war veterans allowance board.

Motion agreed to and the house went into committee, Mr. Courtemanche in the chair.

Mr. Chevrier: Will the minister make a statement?

Mr. Brooks: Mr. Chairman, in moving this resolution it again becomes very evident that veterans' legislation is never completed. Changes are always becoming necessary as times, situations and conditions change. I recall very well in 1946-47, as I am sure

many other members who were here at that time will remember, that when we passed what was known as the veterans' charter we thought we had pretty well completed veterans' legislation. Amendments have been made almost every year to the different acts that were considered and passed at that time. I feel it is only right and proper, at a time when the house is considering social legislation, that the War Veterans' Allowance Act should be given consideration.

This resolution forecasts legislation which is intended to, and which will help a most deserving group of our citizens. On different occasions I have said, and I repeat now, that I consider the War Veterans' Allowance Act one of the finest pieces of legislation ever passed by a Canadian parliament. I realize, Mr. Chairman, that at this stage it would not be proper for me to give full details of the proposed legislation. However, I am sure hon. members will wish me to indicate the main provisions in general terms.

The resolution now before the committee is consequent upon the announcement made in the speech from the throne that the War Veterans' Allowance Act, 1952, would be amended during the course of the present session. Hon. members will recall that this act was completely revised in 1952, and was amended in 1955. Furthermore, by means of a vote in the supplementary estimates for the current fiscal year, approved by the Appropriation Act No. 4, 1957, certain increases were made in the married rate of allowance and in the married and single rates of permissible income. Had the present government been satisfied with these increases, it would have been desirable anyway to have opened the War Veterans' Allowance Act at this session in order to incorporate the amendment in the act itself. However, as hon. members will see when the bill is in their hands, the government desires to go somewhat farther toward ameliorating the lot of those war veterans and widows who were trying to make ends meet on a small income.

The bill also reduces the period of qualifying residence in Canada of former members of the forces other than Canadian who were not domiciled in Canada prior to enlisting. It extends the eligibility under certain conditions to widows who are at present ineligible for the sole reason the husband died before completing his qualifying residence. Another amendment has to do with exempt income in respect of the recipient's home. The exempt value of such premises is raised.

Provision is made to remove from the act a clause which does not allow the award of supplementary allowances to an orphan in receipt of a pension under the Pensions Act.

[Mr. Brooks.]

The bill proposes to extend the period of absence from Canada which is permitted in any calendar year without loss of allowance. The bill also would extend eligibility for an allowance to a veteran of the Canadian forces who, during word war I, did not reach France but served in the United Kingdom for a specific minimum period.

Finally, the bill proposes an increase in the salary of the chairman and other members of the war veterans allowance board.

These salaries are set out in the statute itself and are felt by the government to be overdue for revision. I have tried, Mr. Chairman, to give hon. members a concise sketch of the amendments that the government has included in the bill to amend the War Veterans' Allowance Act, 1952. I shall, of course, be prepared to go into greater detail on the motion for second reading of the bill itself.

Mr. Tucker: Mr. Chairman, my first words in the debate on this resolution, introduced by my old friend the present Minister for Veterans Affairs, would be to congratulate him upon attaining his present position. He has spent a great deal of time working for veterans ever since he was first elected to the house in 1935. I am sure the veterans of the country were quite pleased when there was to be a new veterans affairs minister from the party opposing that the appointment should have fallen to my hon. friend. I want to congratulate him upon attaining that position and to wish him success in serving the veterans of this country as his predecessors have done over the years since we have had such a ministry.

I should like, also, to commend the minister for the statement which he gave to *The Legionary* on attaining office. I thought it was in keeping with the attitude taken by ministers of veterans affairs of all parties ever since we have had a department of this nature. I should like to read to the house part of the statement the minister gave to *The Legionary*, which appears in the issue for August, 1957. He said:

> Over the past 40 years Canada has evolved a veterans' charter which is broad in its scope and comprehensive in its provisions. It is our intention to administer the charter in the spirit in which it was conceived by parliament, and to keep in step, so far as possible, with the changing conditions of Canada's veterans and their dependants.
>
> In carrying out our responsibilities to veterans and to Canada, we in the Department of Veterans Affairs will welcome the advice and assistance of all levels of the Canadian Legion. We hope that, in striving for our common goal, the welfare of our veterans, you will continue to co-operate with us wholeheartedly in the future as you have in the past.

The minister's comments in introducing the resolution were along the same line when

he referred, as he has done, to the working out of the veterans charter and the fact there was a real departure in procedure in that the government of the day referred the whole problem to a committee of veterans from all parties who worked out various bills which were then put before the government and, receiving their approval, were then brought into the house for second reading.

That veterans charter, as the minister has said, was regarded at the time as a great achievement, and as the new government enters on its task it would seem to me that it would be fair to take a look at the situation at the present time with regard to veterans problems as they are seen by the Canadian Legion. I have here what I think is a very good and very fair editorial which appeared in the August issue of *The Legionary*. I believe it reviews the situation as the veterans find it at the present time and, of course, the present government, as the minister has said, will feel that it is their duty to go on, probably in a less partisan way in this department than would be the case in any other, in consultation with the various veterans bodies to try to do a good job for veterans and their dependents. But before we go forward it seems to me it is quite fitting to examine the situation as we find it today. In many ways this editorial seems to me to be a very inspiring one to all of us who are faced with carrying on the work so well carried on in the past by those who dealt with this problem. The editorial is headed, "A Grand Tradition", and reads as follows:

While certain improvements are still being sought by the Canadian Legion and the new government will be urged to implement a number of Legion recommendations during the next session of parliament, it is a well established fact that Canada's veteran legislation is just about the best in the world. In some respects it is actually more generous than that of the United States, the wealthiest nation in existence, and in all aspects it is away ahead of the United Kingdom and every other nation. Not to bear this fact in mind would be both foolish and churlish.

Support of All Parties.

The principal reason for this singularly happy state of affairs is that, ever since the first world war, veteran legislation has been as close to being a non-party matter as any legislation can be which in the final analysis is the responsibility of the party and government in power. The various parliamentary committees on veterans affairs which over the years have dealt with proposed ex-service legislation have invariably been composed of war veteran members of all four parties in the House of Commons, and while the government has always had a majority in the committee in accordance with democratic practice it has only been on rare occasions that it has considered it necessary to use its majority vote. Practically all the committee recommendations, certainly all the major ones, have been unanimous.

D.V.A. Heads Through the Years.

By the same token the various cabinet ministers who have held the veterans affairs portfolio have been exceptionally free of political or party bias in their handling of veteran legislation both in parliamentary committees and in the house as well as in their direction of the administration of the veterans charter by departmental officials. Like their M.P. comrade-in-arms in all parties, they have really had the welfare of their fellow veterans at heart and, within the limitations imposed by cabinet responsibility and solidarity, have done their utmost for those with whom they shared the dangers and hardships of war. Being in the pilot's seat, as it were, they have had a major share in guiding Canada's veteran legislation to its present position.

Canada's ex-servicemen and women will remember Sir James Lougheed, Dr. "Bob" Manion, Dr. H. Beland, Dr. J. H. King, Dr. Murray MacLaren, Donald Sutherland, C.G., "Chubby" Power, Ian Mackenzie, Milton Gregg, V.C. and "Bob" Lapointe primarily because they were their ministers of veterans affairs or of pensions and national health or of soldiers' civil reestablishment, to use the old titles by which some of the earlier ministers were known, not because they were members of this or that Conservative or Liberal government.

Defeated Ministers.

Only three of this distinguished company are still living—"Chubby" Power, who became Canada's dynamic air minister in the second world war and is now a member of the Senate; and Milton Gregg and Bob Lapointe who with seven of their cabinet colleagues went down to defeat in the recent general election. In so far as ex-service legislation is concerned, these two will be missed in the new House of Commons. Under their respective regimes substantial benefits were granted disabled ex-servicemen and dependents, and both showed in their administration of D.V.A. and in their numerous dealings with the Canadian Legion that the wellbeing of their old comrades were uppermost in their hearts. Now that the turn of the political tide has removed them from participation in veterans affairs at the legislative level, it is only right and fair to say that they deserve the grateful thanks of Canada's ex-servicemen and women, and the best wishes for their future endeavours.

It is a grand thing that the tradition of veteran legislation on a non-party basis has grown up in this country. May it be jealously guarded and safely maintained by whatever party in in power!

As we have ended 22 years of Liberal administration in which this attitude was taken by the Liberal administration of the day towards working out and dealing with veterans problems whereby the co-operation and suggestions of members of all the other parties and of the people representing the various veterans organizations were sought and heeded to such an extent, I felt it would only be fair for me, inasmuch as I have watched this going on ever since 1935 and have been a member of committees for most of that period and worked with the present Minister of Veterans Affairs, to call this to mind and express my confidence, as he is so much in agreement with the course followed over the years when he took part in this work, that what is described in this fine editorial as a grand tradition will be carried on while he is the minister.

Nothing was said in the editorial about previous administrations, as a whole, but I felt that at this stage I should say a word or

two about such past administrations. Having had as much to do with veterans affairs as I did, in co-operation with the late Right Hon. Ian Mackenzie and other veteran members of the House of Commons in working out the veterans' charter, I felt I should say a word about the attitude of the government of the day and the ministers who had a great deal to do with the working out of the charter and the work that has been done since.

I think those who worked on that charter will agree with me that the attitude of the then prime minister, Mr. King, and the then minister of finance, Mr. Ilsley, was one of very great sympathy towards working out the best charter for ex-servicemen that any country in the world could have.

At this stage I should like to pay tribute to the administration as a whole at that time and particularly to the minister of finance and the prime minister at that time for the way in which they were ready to accept advice from the veterans organizations and from the members of all parties in working out that charter. But, as the minister said, since that time there has been a period of 12 or 13 years in which great changes have come about in the country, and it was necessary to make great changes in the charter if it was to carry out the ideals and hopes of those who drew it. And so, carrying out in that grand tradition, members of all parties have been permitted, under the policy of the administration, led for over the past 10 years by the present Leader of the Opposition and with the co-operation of his administration, to carry on in that way and, as the Legion has said, accepting almost invariably unanimous recommendations of the committees on veterans affairs.

I was very interested in an editorial which appeared in the *Torch*, the voice of the Canadian corps. I will not take time to read all of it, but it has reference to this matter and it does pay a tribute to the present Leader of the Opposition who carried on this policy, it seems to me, in a way fully worthy of the great work that had been done before he took charge of the administration.

I do not think anyone would accuse the Canadian Corps Association of being biased in favour of our party. I was quite interested to see what they actually said and I really appreciate the generous and well deserved tribute that they paid. The editorial reads in part:

> The Canadian Corps Association welcomes, sincerely, the new government elected in June of this year to guide the destiny of this great country of Canada. The new regime has taken over from the old which held power for many, many years—some Canadians, apparently, thought for too many years! Be that as it may, Canadians in all sincerity can join together and say,—

And I do appreciate this from the *Torch*.

> —"Well done, our good and faithful servants". For when we look back over the past 22 years we can see that Canada has steadily marched forward and, in no uncertain manner, has reached the front row of the nations of the world.

Farther on, the editorial goes on to say:

> Certainly the Canadian corps join with the millions of Canadians in wishing the Right Hon. Louis St. Laurent many years of peace and happiness. He served us well.

I feel that veterans throughout all Canada would have that same attitude toward the present right hon. Leader of the Opposition, and I think it would be only fair at this particular stage in our affairs to voice what I am sure are their sentiments in this matter.

I am sure the Minister of Veterans Affairs will agree with me when I say that he did not disclose very much in his opening remarks in introducing this resolution. I hope he will forgive me if I say I do not think I am any wiser, and I doubt whether the committee is any wiser since he spoke as to what he intends to bring before us in his bill than we were from a mere reading of the resolution.

He mentioned that it is intended to reduce the period of qualifying residence. He was very modest about what he intended to do in that regard. I really feel that he should take us into his confidence a little bit so as to prepare us in some way for what he has in mind. He said that it extends the eligibility where the husband dies before the period of residence has been fully established, which is necessary before the widow can get eligibility. This is something which has been advocated by various groups, that when the husband died before the required 20 years residence, if the wife continued to live in Canada, some consideration should be given to lifting that limited qualification. I think it was felt that that was a meritorious claim. Then, there is to be some change in regard to the amount of exemption in respect of a residence owned by the veteran. I think everybody would agree that with the fall in the value of money and the rise in the value of a residence, expressed in terms of money, this change was necessary to keep the position of veterans from retrograding. However unless it is fairly substantial it will not meet the needs of the situation at all.

Then there is the extension of the period in which the veteran might be absent without losing the war veterans allowance. I know it was the attitude of most of the members of the present government party for some time that where a veteran had to

go out of Canada to preserve his health he still should be able to continue to draw his war veterans allowance. I must say that always sounded so reasonable to me that I felt if many changes were being made at the request of the various veterans organizations it would not be long until something would be done along that line, and I hope that something like this is in the bill to provide that if a person must leave Canada for his health there will be no question of his losing his war veterans allowance. Of course, the other provision of extending the time of permissible absence from Canada is again obviously in line with the other legislation already passed and it is felt by everyone, I think, that certainly in veterans legislation the position of the veteran should not suffer in comparison with those in other groups.

Then there is the provision for extending the eligibility where a certain period has been served overseas. The minister I hope will tell us about it so that we can be prepared to some extent. I presume it is intended to deal with the position of the world war I veteran who did not get beyond the shores of the United Kingdom which was not specified as a theatre of actual war in world war I, and so was not, unless he was a pensioner, able to get the benefit of the War Veterans' Allowance Act.

From time to time many veterans pressed the view that when the United Kingdom was a theatre of actual war so far as world war II was concerned, world war I veterans should receive the same consideration as world war II veterans receive under the act. I think many people felt that since so many who had reached England during the first war were kept there in the course of duty and were not permitted to proceed further that the time was certainly coming if not here, especially when it was recognized that Great Britain was a theatre of actual war so far as world war II was concerned, when something should be done to deal with the position of those who did not get to France during the first great war. I presume this legislation will deal with that situation. I would have wished that the minister might have given us some better idea of how far he proposes to go in that regard.

One of the things the minister did not say was whether he intends to send this bill to the committee on veterans affairs. In view of the number of times I have heard him and his colleagues, now on the front benches, who served on this committee talk about the desirability of referring any amendment such as this to the veterans affairs committee, and the very severe criticism voiced once when this was not done by the minister himself, by the Minister of Public Works and by the Minister of Agriculture, I should be very surprised if this were not now the intention. I say this because in the hurry of the short session which ended last spring when changes in the War Veterans' Allowance Act and Pension Act were actually put through as part of the estimates, the attitude taken by these ministers was that these matters should be referred to the veterans affairs committee. So I suppose this is the intention of the government. In fact I hesitate even to doubt as to whether there can be any question about this, because if there was one thing I understood to be the firm intention of the Conservative party if they ever got into office it was that there would be a permanent veterans affairs committee and that all matters having to do with the veterans affairs would be referred to that committee. So I would be astonished, and I am sure the country would be astonished, as well as all the veterans, if it is not proposed to refer this bill to the veterans affairs committee.

I do not need to quote very much in this regard concerning the number of occasions on which it has been pointed out by gentlemen opposite that these matters should be dealt with by the veterans affairs committee. I recall, for example, that the Minister of Agriculture in dealing with the importance of these matters being referred to that committee—he was speaking of the introduction of the changes made this spring in regard to the War Veterans' Allowance Act—stated at page 3416 of Hansard of April 11, 1957:

> We have already had some considerable mention of the general method of bringing in the increases in regard to old age pensions, veterans increases, and so forth. I think the manner of doing this is extremely unsatisfactory, and that is particularly so in the case of increases in veterans pensions and war veterans allowances. In every previous case in which there has been an increase in those veterans benefits the veterans affairs committee has been called together. The government has proposed its increase, generally has given a bill second reading and then referred it to the veterans affairs committee, where a full discussion of the proposals and a full investigation into all of the needs of the situation took place. I think that type of procedure is particularly necessary as far as dealing fairly with our veterans is concerned.

And then he went on.

> When you have a committee of that kind the veterans organizations are able to make representations and put the case of the veterans before the members of the committee, and thus before the House of Commons and the government. At every one of those committee meetings where proposed increases were brought forward, the Legion, the army, navy and air force veterans, the blind veterans association and numerous other veterans associations appeared to make representations and, as a result of the representations made, as a result of the discussions in that committee, on various occasions the legislation was considerably improved.

I read that because I know it is sometimes suggested that the former administration decided on what should be done without listening enough to hon. members of the house or to representations in the country, and all that sort of thing. But actually, on the testimony in this regard of the present Minister of Agriculture, the government of that day invariably referred these matters to the veterans affairs committee and, as he pointed out in the speech I have referred to, the original idea that the government had in mind in 1947 was to raise pensions by 10 per cent, yet as a result of representations made by veterans organizations and the work of the veterans affairs committee, and consideration of the whole problem, the government finally agreed to raise the pension by 25 per cent.

After all, as everybody knows, the government at that time had a good majority in the house, yet here it was showing its attitude toward dealing with veterans affairs by not in any way taking advantage of its majority or insisting on having its own way. It listened to representations from the veterans affairs committee to the extent that it finally increased the pensions, not by 10 per cent as originally suggested but by 25 per cent.

Now I hope that this attitude taken by the former Liberal administration in not adhering in any stubborn way to any idea that it had in the face of representations made on behalf of veterans organizations and by people in parliament and in the country generally, will be borne in mind by the present occupants of the treasury benches for whatever time they remain where they are, and I hope it will also be borne in mind by the present minister with regard to the legislation which he is now bringing forward.

I am not in a position to speak at length about the proposed legislation because, as I have said, the minister has not given us much idea as to how far it is intended to go, but it seems to me that with the present fall in the value of money and the rise in the cost of living that this is, particularly, a time when the administration should be ready to call in the members of the other parties and deal with this matter in a committee where it will be possible to call in the representatives of the veterans organizations to discuss the government's recommendations and their adequacy in present circumstances. They have taken the attitude in the past that this is the right way to deal with this question. It seems to me it would be a very astonishing thing if they did not follow that course themselves.

The Chairman: I am sorry to interrupt the hon. member, but I must advise him that his time has expired.

Mr. Herridge: Mr. Chairman, I want to take this first opportunity to congratulate the minister on his appointment as Minister of Veterans Affairs. I must say that this is no mere formality on my part. I have had the opportunity and the pleasure of being a colleague of the minister on the committee of veterans affairs during the past 12 years whenever that committee was sitting, and one does not spend 12 years on a committee with a member in opposition without getting to know something about him and to appreciate him. I recognize the fact that the minister has good intentions and that he has always worked in the best interests of the veterans he has represented. I do hope that he brooks no interference from anyone when he is trying to give effect to the ideas which he has expressed during the last 12 years.

We in this group welcome this resolution and the proposals contained in it as outlined in the minister's opening remarks. I did not hear him any too clearly and I am not quite sure of some of the things he mentioned but in any event we in this group welcome the amendments as another step forward in improving the War Veterans' Allowance Act.

Although I listened very attentively while the minister spoke I thought there were some things omitted that the Canadian Legion and the National Council of Veterans have been advocating in recent years and I must deal with what the minister termed on July 16, 1956 as "some unfinished business". I can well remember his speech in this house on that occasion. Before proceeding further I must assure the minister that we in this group desire to co-operate. We will quote him and we will quote his colleagues but all we are doing is trying to co-operate in the effort he is putting forward to give effect to the ideas he has expressed during the last 12 years.

There is one serious proposal which has been made by the Canadian Legion this session which to date has not received a favourable response from the government and, of course, I refer to the suggestion that there should be a standing committee on veterans affairs. I am not suggesting we should expect everything to happen overnight and I realize that this session is carried on under somewhat unusual circumstances; possibly there is an atmosphere of the temporary surrounding the cabinet, but I do think, like the hon. member who preceded me, that even if a standing committee is not appointed this session this legislation should be referred to a special committee on veterans affairs, in

compliance with the minister's proposals and wishes in years past, so the members of that committee will have the opportunity of hearing representations from veterans organizations.

I want to deal with a few matters of unfinished business so far as the veterans organizations are concerned. I understand that the Canadian Legion proposes that the ceilings on total permissible incomes under the War Veterans' Allowance Act be increased to $1,200 per year for the single recipient and $2,000 per year for the married recipient. If I understood him correctly I did not hear any mention of that in the minister's opening remarks.

The Legion is also anxious that the Canadian veterans of world war I whose overseas service was restricted to the United Kingdom be eligible for war veterans allowance provided that such service be at least one year in duration. If I heard the minister correctly I think something is being done to comply with that request of the Canadian Legion and the veterans organizations and, if so, I must say we in this group are very glad because these proposals have been brought before the veterans affairs committee and this house for a good number of years.

A third proposal of the Canadian Legion is that the widows of allied ex-servicemen be granted war veterans allowance in cases where the husband died before completing 20 years residence in Canada, provided: (a) that the effective date of her eligibility be 20 years after the husband's arrival to take up permanent residence in Canada; (b) that the widow herself has completed 20 years' residence in Canada, and (c) that the husband and wife were both otherwise eligible. Again if I heard the minister correctly I understand there is some move being made in that direction to implement this proposal and we are very pleased indeed.

The fourth proposal of the Canadian Legion is that section 8 of the War Veterans' Allowance Act be repealed. Section 8 of this act reads:

> No allowance shall be paid in respect of any orphan who is in receipt of a pension under the Pension Act.

I understand that this section is unfair to the children of pensioners and in this case, too, I think I heard the minister suggest some amendment and we are pleased to hear that.

In addition to those proposals I want to suggest that there should be provision for the payment of the allowance outside Canada to veterans who have to leave this country for reasons of health. I know I raised this matter in the house on a number of occasions and I think other hon. members who were then in opposition supported it.

One particularly tragic case in my constituency comes to mind. A war veteran in receipt of the war veterans allowance was advised by his physician that because of an extremely unusual lung condition he would have to live in a very dry climate and suggested that he go to Mexico City. The veteran sold his little ranch, went to Mexico City and lived on a few hundred dollars for over a year. The people in my constituency sent him a little money to help him out because he was not permitted under the act to continue to receive his allowance outside Canada. This poor chap lived in Mexico City and after having spent his last dollar was found dead on the streets on December 31 last year.

My first intimation of this was a letter from a Mexican peasant who wrote and told me in very broken English what had happened. He explained that the chap had no money and his Mexican neighbours had taken up a collection amounting to 700 pesos and had provided for his funeral. This man wrote to ask if there could be some repayment of this money because they were extremely poor people. I hope the minister will introduce some amendment to prevent that sort of thing happening in the future. This was a veteran who had served overseas in the first war, lost his eldest son in the second war and suffered severe pains for years because of this lung condition which was not pensionable. He left the country and was denied the right of receiving his war veterans allowance.

In addition to that I want to make another suggestion with respect to an amendment I think should be made to the War Veterans' Allowance Act. Again it is a situation that has been brought to my attention in my own constituency and the person who suffers in this case is the widow of a man who served overseas in the first war. I am bringing it to the minister's attention particularly tonight because it would take such a small amendment to correct this situation. I urge an amendment to section 30 (11) (b) of the War Veterans' Allowance Act. This section of the act reads as follows:

> A veteran who
>
> (i) is residing with a woman with whom he is prohibited from celebrating a marriage by reason of a previous marriage either of such woman or of himself with another person, and
>
> (ii) shows to the satisfaction of the district authority that he has, for seven years or more, continuously maintained and publicly represented such woman as his wife, shall be deemed to be married to that woman.

To illustrate the need for this small amendment to correct what I suppose are these very occasional injustices I want to relate this story. In October of 1914 a lady

was married in England but separated after six months and never saw her husband again. She learned, however, that he had ultimately enlisted in the British army but she never knew in what unit. In 1916 she heard that her husband had been killed but as she was not reported on his military service record as his wife and never, of course, received any separation allowance, she received no official notification of his death.

In 1918 the lady married a Canadian veteran in good faith and in the honest belief that she was a widow. They lived together from 1918 to May, 1956 a period of 38 years, until the death of this veteran. Long after her marriage this lady learned that her first husband had not been killed in France. I have known both these persons for many years and can say they are highly respected citizens of the community in which they live and are well known throughout the district. However, the war veterans allowance board cannot give the widow in question an allowance under the act because of the terms of section 30 (11) (b) because the veteran himself is dead and according to clause (ii) he must show to the satisfaction of the district authority that he has for seven years or more continuously maintained and publicly represented this woman as his wife.

I bring this to the minister's attention in the hope that he will give serious consideration to an amendment to the act to correct such a situation which I am sure would represent an extremely slight burden on the treasury because situations of this kind must be somewhat rare.

Now, Mr. Chairman, I see that my time is rapidly expiring owing to the verbosity of the colleague who preceded me. I must say that in view of the opinions expressed by the minister through the years and those of his colleagues, we certainly expect amendments in line with representations made by the Canadian Legion and the National Council of Veterans. I support the minister and his colleagues and, to inform his other colleagues in the cabinet what they stand for and what they believe in, I am just going to quote briefly from *Hansard*.

First of all I will quote the minister himself on July 6, 1956 at page 5751 of *Hansard*. He had this to say with respect to the ceiling on war veterans allowances:

> I should like first to mention the ceiling on the war veterans' allowance. This is not new, Mr. Chairman; it is something which has been discussed at every veterans' meeting we have had in the past five or six years. As the minister pointed out, the ceiling on income for single veterans is $840; the ceiling on income for the married veteran is $1,440. The minister and other members, particularly the members of the veterans' committee will recall that the recommendation which was made in 1952, I think it was, and repeated again in 1955, was that the ceiling should be $1,200 for single veterans and $2,000 for married veterans.
>
> This was recommended to the committee after very serious study by Legion committees all across Canada. It was a great disappointment to veterans all across Canada when the government did not see fit at that time to raise the ceiling. It has worked a great hardship on the many individuals who are recipients of war veterans' allowances.

I do hope the minister will not continue to work a "great hardship" on the many veterans who are in receipt of war veterans allowances by failing to raise the ceiling.

Mr. Brooks: Mr. Chairman, may I just interrupt the hon. member for a moment. I have the section here and as he has read it it is correct—it was a great disappointment to the veterans all across Canada that the government did not see fit at that time to raise the ceiling. I did mention that the Canadian Legion had recommended a certain ceiling but I did not say that was the ceiling I was recommending. I said "raise the ceiling".

Some hon. Members: Oh, oh.

Mr. Brooks: I think if the hon. member will read it again he will see that is the meaning.

Mr. Herridge: At least the minister will admit that he suggested the government should give careful consideration to the proposals of the Legion.

Mr. Brooks: That is correct.

Mr. Herridge: And I would say the implication of the hon. gentleman's remarks is certainly that his attitude was favourable to the matter under discussion.

Now we have my old friend the Minister of Public Works. What does he have to say? On July 11, 1956 at page 5867 this is what the minister had to say and I will not quote at length:

> The reason why he will not get it is because of the low ceiling placed on the annual income he is allowed. If that ceiling were raised from $840 per year to $1,200 per year for the single veteran, and from $1,440 per year to $2,000 per year for the married veteran, as requested year in and year out by the great veterans' organizations of this country, then that situation to which I have referred would be met. This veteran would be able to get his full old-age security payment when he reaches 70, and the small pensioner who is under 70 would be able to retain his small pension and get the full war veterans' allowance.

I support the minister in his proposal. Then we come to the Minister of Agriculture. Now he is on our side—he always has been—on page 5890 of *Hansard* on July 12, 1956 he says:

> However, I would say I have never been able to understand why the government was not

willing at least to raise the amount of the permissive income. For many years past I have urged, as have others, that the limit on the permissive income should be increased to at least the amount of the income tax exemptions.

That would be $1,500 for a single man and $2,000 for a married man.

Now to conclude my quotations, which I am keeping very brief indeed, I want to quote the Prime Minister because he was really grandiloquent on this occasion. On July 12, 1956, I quote the present Prime Minister; at page 5897 of *Hansard*:

I should now like to say a word or two with reference to a matter that has been discussed on previous occasions, namely, war veterans allowances. As the situation is at the present time, the ceiling on income for the single veterans is $840 and for married veterans $1,440. I find it hard to understand why the amount should not be increased to the level of that amount which, under the Income Tax Act, becomes exempt from income taxation. This question has been asked the minister before: where is the sense of fairness in this situation? Everyone is entitled to the old age pension, whether it is the prime minister who receives it or somebody else. Every citizen in our country is entitled to it at 70 years of age. Why should those in receipt of war veterans allowance find the amount of their old age pensions in effect reduced on the achievement of the age of 70 years? That is something that one hears universally complained about. It is something that is unjust for, by reason of the present ceilings, it places those who served and their dependents in a second-class position with respect to others who did not serve. It brings about a state of affairs that is unfair and unjust and it constitutes a discrimination that cannot be justified. I ask the minister once more—as he has been asked on previous occasions—this question: Why should such a state of affairs be permitted to continue?

Then he goes on to say quite definitely:

Why has not the War Veterans' Allowance Act been amended so as to provide for payment of war veterans allowance to those who served in England during the first war?

Now, Mr. Chairman, I have made these quotations purely in a spirit of co-operation—

Some hon. Members: Hear, hear.

Mr. Herridge: —in an endeavour to support the minister and his colleagues in their representations on behalf of the cabinet and in order to inform the new members of their party on the back benches of the situation and the extent of the co-operation which does exist in these matters of veterans affairs. I could give other quotations but I have had to limit myself because I wanted to conclude my remarks this evening.

I do hope however the minister will give consideration to the representations of the Canadian Legion, the National Council of Veterans, and the members on this side of the house and will not fail to remember representations made by the present government members while they were in the opposition and were members of the veterans affairs committee during the past 12 years on behalf of the colleagues and comrades in which we are all so interested.

An hon. Member: Ten o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask the leader what is to be the business for tomorrow.

Mr. Green: Tomorrow we shall continue with this resolution which is No. 8 on today's order paper; then we shall take the resolution concerning proposed amendments to the Pension Act which is No. 9 on today's order paper; then resolution No. 12 having to do with a Canadian National Railway Company branch line and after that the throne speech debate and we may move on motions to set up a striking committee.

Mr. Chevrier: May I thank the leader for acceding to the request I made the other evening. I think it makes it much easier to follow the business of the house each day in this manner.

At ten o'clock the house adjourned, without question put, pursuant to standing 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:

UNEMPLOYMENT ASSISTANCE ACT

Question No. 15—**Mr. Martin (Essex East):**

1. Has the government carried on any negotiations with any province since June 10 in respect of participation by additional provinces in the Unemployment Assistance Act of 1956?

2. Has the government received any representations from any body in the province of Ontario in respect of possible participation by Ontario in the Unemployment Assistance Act of 1956?

Answer by: **Hon. J. W. Monteith (Minister of National Health and Welfare):**

1 and 2. Correspondence has been exchanged with the minister of public welfare of the province of Ontario with respect to the Unemployment Assistance Act of 1956. There have also been discussions with the Ontario authorities with reference to this same legislation.

FEDERAL BUILDING, BATHURST, N.B.—TENDERS

Question No. 87—**Mr. Robichaud:**

1. Have tenders been called for the construction of the federal public building at Bathurst, New Brunswick? If so, what was the total number of bids received?

2. Did specifications attached to invitations for tenders require all bidders to offer alternate prices for the supply and installation of eight inches of brick in lieu of granite?

3. What was the amount of the tender accepted and to whom was it awarded?

4. Did the general contractor to whom tender was awarded comply with instructions by offering an alternate price for brick?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. Yes, on July 17, 1957. Ten tenders were received.

2. Yes.

3. $353,900.00. Contract awarded to the Ellis Don Limited, London, Ontario.

4. No. This was considered unnecessary in view of the department's decision to proceed with granite facing because the granite could be obtained locally.

COAL SUBVENTION PAYMENTS

Question No. 102—**Mr. MacEachen:**

1. What was the total amount paid on coal subventions, during the fiscal years of (a) 1954-55; (b) 1955-56?

2. What would be the additional cost for subvention assistance for coal moved in the Atlantic region?

3. What would be the additional cost of providing subvention on the coal used for generation of electricity in the province of Nova Scotia?

Answer by: **Hon. Paul Comtois (Minister of Mines and Technical Surveys):**

1. The report of the dominion coal board states the total amounts paid on coal subventions as follows:

1954-5	$11,340,044.42
1955-6	$10,566,873.21

2. The present subvention policy under existing orders in council provides subvention assistance on Canadian coal in the amount necessary to meet the competition of imported coal. There is no such competition in the Atlantic region interpreting that expression to mean the provinces of New Brunswick, Nova Scotia and Prince Edward Island and there is, consequently, no additional cost.

3. The additional cost of subvention on coal used for generating electricity in the province of Nova Scotia would depend upon the rate of assistance set out in any order in council or other regulations. There are, at present, no such orders or regulations setting up a specific rate although the hon. member will find the general policy of this government in the matter set out by the right hon. Prime Minister on page 52 of *Hansard* for Wednesday, October 16, 1957.

HOUSE OF COMMONS

Wednesday, November 6, 1957

The house met at 2.30 p.m.

STARRED QUESTIONS

SOVIET EARTH SATELLITE

Question No. 10—**Mr. Stewart (Winnipeg North):**

1. Has the earth satellite been fired in accordance with any agreement arrived at during the international geophysical year?
2. Is the Soviet earth satellite infringing on the air space above Canada?
3. How far vertically does the sovereignty of Canada extend?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the answer to the first part of that question is that there was no formal agreement in connection with the international geophysical year pertaining to the launching of an earth satellite, and in any event the U.S.S.R. has stated that it did not launch the satellite in pursuance of any arrangement in that regard.

With respect to parts 2 and 3 of this question I might answer them together. Under the present generally accepted rules of international law the space above the territory of each nation extends to the upper limits of the atmosphere. Although the Soviet union did not join in the international civil aviation organization convention of 1944 it was decided that every state has complete and universal sovereignty over air space above its territory.

Until recently air space for the purpose of state sovereignty and control had been thought to vary between the heights of 60 and 80 miles. There has been some discussion in regard to this matter recently by those versed in international law. Professor John Cooper of the school of international air law at McGill University recently reported favouring a limit of 300 miles for the air space; however, there has been no determination in this regard. Recent events in science do suggest an early review of the present principles of international law applicable to the question of sovereignty over the air space.

UNEMPLOYMENT FIGURES, BRITISH COLUMBIA AND CANADA

Question No. 13—**Mr. Sinclair:**

1. How many unemployed were registered in (a) British Columbia; (b) Canada, for each of the months of July, August and September, 1957?
2. How many unemployed were registered in (a) British Columbia; (b) Canada, for each of the corresponding months in 1956?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the answer to the first part of the question is that the information available from reports of local offices of the unemployment insurance commission pertains to the Pacific region which comprises the Yukon Territory and all but the northeastern part of the province of British Columbia. The number of persons registered for employment at local offices in the Pacific region and in Canada on the dates indicated in July, August and September of 1957 were as follows:

	Pacific region	Canada
July 18, 1957	31,377	257,186
August 22, 1957	29,506	248,836
September 19, 1957 ..	29,837	255,896

The answer to the second part of the question is that the figures for comparable dates in 1956 are as follows:

	Pacific region	Canada
July 19, 1956	19,447	179,251
August 23, 1956	17,259	168,064
September 20, 1956 ..	15,619	158,804

UNEMPLOYMENT FIGURES, QUEBEC PROVINCE

Question No. 15—**Mr. St. Laurent (Temiscouata):**

1. How many unemployed were registered in (a) the province of Quebec; (b) Temiscouata, on August 1, September 1 and October 1, 1957?
2. How many unemployed were registered in (a) the province of Quebec; (b) Temiscouata, on August 1, September 1 and October 1, 1956?

Hon. Michael Starr (Minister of Labour): In reply to the first part of the question asked by the member for Temiscouata, the answer is that information is not available for the dates in question. However, the number of persons registered for employment at local offices of the unemployment insurance commission in the province of Quebec on August 1, 1957 was 76,195. On August 29, 1957, the figure was 68,975 and on September 19, 1957, it was 69,227. The answer to part (b) is that information is not available on the number of persons resident in Temiscouata who were registered for employment on these dates. The answer to the second part of the question is that (a) the number of persons registered for employment at local offices of the unemployment

insurance commission in the province of Quebec on August 2, 1956, was 53,822. On August 30, 1956, the figure was 46,366 and on September 20, 1956, it was 43,653. (b) Information is not available on the number of persons resident in Temiscouata who were registered for employment on these dates.

POST OFFICE DIRECTIVE 9/4 MS

Question No. 17—**Mr. Lesage:**

1. Under what statute was Post Office Department directive 9/4 MS dated August 8, 1957, issued?
2. Does the said directive apply to mail contractors strictly during the time they are on duty? In other words, are the mail contractors free to participate in political activity outside the actual performance of their duties?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, the question asked first of all under what statute the Post Office Department directive 9/4 MS dated August 8, 1957, was issued, to which the answer is the Post Office Act, chapter 212, section 6.

The answer to the second part is that it was the intent of such directive that mail contractors refrain from political activity during the performance of their official duties.

WINDSOR AIRPORT—TRANSPORT BUILDING

Question No. 18—**Mr. Martin (Essex East):**

When is it proposed to have the formal opening of the new Department of Transport building at the Windsor airport?

Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport: Mr. Speaker, in the absence of the minister will the hon. member allow this question to stand?

Some hon. Members: Agreed.

Question stands.

PELEE ISLAND FERRY SERVICE

Question No. 19—**Mr. Pickersgill:**

1. Does the government or the maritime commission subsidize a ferry service to Pelee island in lake Erie?
2. Is such ferry service not wholly within the bounds of one province?
3. Does the government subsidize any other ferry or shipping services wholly within a province, and if so, what are they?
4. Does the government subsidize the ferry service between Portugal Cove and Bell island, Newfoundland?
5. If not, what reason is there for a federal subsidy to a ferry in Ontario which does not apply equally to Newfoundland?

Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport: Mr. Speaker, again this question concerns the Department of Transport, and in the absence of the minister I would ask that this question should stand.

Some hon. Members: Agreed.

Question stands.

[Mr. Starr.]

JAN WOJTALA

Question No. 20—**Mr. Pickersgill:**

1. Was a ship's deserter named Jan Wojtala deported from Canada?
2. If so, to what country was he deported?
3. What was the cost to the treasury of his deportation?
4. Was the shipping company not liable for the cost of deportation?
5. If so, why was he not deported by and at the expense of the shipping company?

Hon. E. D. Fulton (Acting Minister of Citizenship and Immigration): Mr. Speaker, the question consists of five parts. To part 1 the answer is yes.

To part 2 the answer is, to the United Kingdom.

To part 3 the answer is nil.

To part 4 the answer is yes.

To the last part of the question the answer is, see the answer to part 3.

TRANS-CANADA PIPE LINES—CONTRACTS

Question No. 21—**Mr. Benidickson:**

What functions are performed by Trans-Canada Pipe Lines Company Limited with respect to (a) awarding of construction contracts on the crown financed gas pipe line route eastward from the lakehead; (b) assuring proper performance of work after award of contract?

Mr. Thomas M. Bell, Parliamentary Assistant, for the Minister of Trade and Commerce: Mr. Speaker, I ask that this question stand.

Question stands.

TRANS-CANADA PIPE LINES—FEDERAL ACTION ON PRICES

Question No. 22—**Mr. Benidickson:**

What steps, beyond the setting up of the Borden royal commission, is the government taking to assure, on an interim basis, that consumers will not be required to pay an inequitable price for natural gas from the trans-Canada pipe line in areas where gas is already or is soon to be made available?

Mr. Thomas M. Bell, Parliamentary Assistant, for the Minister of Trade and Commerce: Mr. Speaker, I ask that this question, too, should stand.

Question stands.

QUESTIONS PASSED AS ORDERS FOR RETURNS

NATIONAL PARKS—PREVAILING RATE EMPLOYEES

Question No. 55—**Mr. MacEachen:**

1. How is the compensation for prevailing rate employees in the national parks of Canada established?
2. What are the present hourly rates for each classification of these employees in each of the national parks of Canada?

BRITISH COLUMBIA—FOREST CONSERVATION AND DAMAGE TO SALMON

Question No. 93—**Mr. Barnett:**

1. Was a program of aerial forest spraying carried out in the Quatsino sound-Nimpkish valley region of northern Vancouver island this year?
2. If so, what forest pest(s) was this designed to control and what spraying formula(s) was used?
3. What was the total acreage sprayed and what is the estimated number of million feet B.M. by species covered?
4. Of the total sprayed how much by acreage and by feet B.M. was (a) unalienated crown timber; (b) held under forest management licence and by whom; (c) held under other forms of alienation from the crown and by whom?
5. By what agency or agencies of (a) the federal government; (b) the provincial government, was the spraying carried out?
6. What other agency or agencies of (a) the federal government; (b) the provincial government, participated in or were consulted about this spraying program?
7. What was the total cost of this program, by whom was it paid and in what amounts?
8. Has a report been prepared of the resultant effect on the forests? If so, what is the estimated number of feet B.M. preserved from (a) killing; (b) serious damage by forest pests, and what is the estimated value of this as (i) standing timber; (ii) logs in the water; (iii) processed forest products?
9. Is a further spraying program planned or contemplated over the same area? If so, when?
10. What are the names of the salmon spawning streams and lakes in whole or in part within the area sprayed, and what by species, annual average number and annual average value at current prices to fishermen, are the runs to each?
11. Has the federal Department of Fisheries, alone or in co-operation with any other agency, made a survey or completed an assessment of any damage to salmon populations? If so, has it been, or will it be, published and in what form?
12. If damage has occurred what does it amount to by (a) percentage of runs affected; (b) total estimated value of fishing catches?

PUBLIC SERVICE—DISMISSALS FOR POLITICAL ACTIVITY

Question No. 99—**Mr. Hahn:**

1. Were any civil servants dismissed owing to their political activity in the recent federal election (a) between the date the writ of election was issued and June 19, 1957; (b) since June 10, 1957?
2. If so, what were the conditions leading to the dismissal of each individual?

MUNICIPAL SEWAGE PROJECTS—FEDERAL ASSISTANCE

Question No. 107—**Mr. Martin (Essex East):**

1. Has the Prime Minister received representations from municipalities in southwestern Ontario, including the city of Windsor, requesting financial aid for municipal sewage projects?
2. If so, has the Prime Minister replied to such representations and what is the nature of the reply?
3. Have similar representations been made to the Minister of National Health and Welfare requesting financial aid for municipal sewage projects?
4. If so, what replies have been made to such representations by the Minister of National Health and Welfare?
5. Will the government give consideration to requests for financial aid in this matter?
6. Has the Prime Minister indicated that such consideration would be given?

NATIONAL DEFENCE—CIVILIAN EMPLOYEES, NEW BRUNSWICK

Question No. 111—**Mr. McWilliam:**

1. What were the results of the wage survey made in May-June, 1957, in the Miramichi area as applied to civilian employees of the Royal Canadian Air Force stations at Chatham and St. Margarets, New Brunswick, and the naval ammunition depot, Renous, New Brunswick?
2. What increases in wages of civilian employees have been authorized in these three defence installations during the years 1950 to date?

BANFF AND JASPER NATIONAL PARKS—CHAIR LIFTS

Question No. 71—**Mr. Lesage:**

1. Have tenders been invited since January 1, 1957, for gondola or chair lifts concessions in Banff and Jasper national parks?
2. If so, how many in each case, when were the invitations made and the tenders opened?
3. Were concessions awarded?
4. If so, (a) how many; (b) to whom in each case; (c) on what basis; (d) under what conditions?
5. What were the relative advantages and disadvantages of each tender in the cases where concessions were awarded?

MOTIONS FOR PAPERS

P.F.A.A. INSPECTORS, THE BATTLEFORDS, SASK.

Motion No. 11—**Mr. Campbell (The Battlefords):**

For a return showing the names of (a) all persons appointed as P.F.A.A. inspectors, since September 1, 1957; (b) all former P.F.A.A. inspectors re-employed since September 1, 1957, in the constituency of The Battlefords.

Motion stands.

P.F.A.A. PERSONNEL, MACKENZIE CONSTITUENCY

Motion No. 14—**Mr. Nicholson:**

For a return showing the names and addresses of all persons residing in the Mackenzie federal constituency employed by the Prairie Farm Assistance Act division of the Department of Agriculture: (a) January 1 to June 10, 1957; (b) June 10, 1957, to date.

Motion stands.

TAYLOR, MARSHALL AND COMPANY

Motion No. 15—**Mr. Pickersgill:**

For a copy of all correspondence exchanged since June 21, 1957, between Mr. J. R. Taylor or any member of the law firm of Taylor, Marshall and Company on the one hand and the Acting Minister of Citizenship and Immigration or any official of that department on the other hand.

He said: Mr. Speaker, I have discussed this with the minister and agreed to limit the scope of the motion to the immigration branch and to headquarters and the Vancouver office, and I would ask that the amendment be made.

Motions for Papers

Mr. Speaker: Has the hon. member permission to amend the motion as stated?

Some hon. Members: Agreed.

Motion as amended agreed to.

IMMIGRATION, FAR EAST—INSTRUCTIONS

Motion No. 16—**Mr. Pickersgill:**

For a copy of all directives and instructions to the staff of the Department of Citizenship and Immigration issued since June 21, 1957, regarding the admission of immigrants or visitors from Hong Kong, China, India, Pakistan and Ceylon.

Hon. E. D. Fulton (Acting Minister of Citizenship and Immigration): Mr. Speaker, before this motion is put I should perhaps say that there is no objection on the part of the government to producing any such directives which have in any way become public knowledge or come to the attention of the public; but I shall have to say for the information of the house and of the hon. gentleman that such directives to the staff are regarded as intradepartmental correspondence and are therefore privileged, and I would not be able to produce any such directives except those first mentioned.

Mr. Pickersgill: The hon. gentleman's explanation is quite satisfactory, sir, and I am quite willing to have the motion amended accordingly, but that is not the attitude the hon. gentleman took when he sat here.

Some hon. Members: Oh, oh.

Mr. Fulton: I do not remember ever putting such a motion.

Mr. Speaker: Is it the pleasure of the house to adopt the motion subject to the limitation expressed by the minister?

Some hon. Members: Agreed.

Motion agreed to.

ELECTRICAL ENERGY DEVELOPMENT, N.B.-N.S.

Motion No. 17—**Mr. Robichaud:**

For a copy of all correspondence and other documents exchanged between the federal government or any of its departments and the governments of the provinces of New Brunswick and Nova Scotia or their respective power commissions, from April 1, 1957 to date, regarding the development of electrical energy.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, I will be glad to accept this motion with the usual reservations.

Mr. Speaker: Is it the pleasure of the house to adopt the motion subject to the limitation expressed by the minister?

Some hon. Members: Agreed.

Motion agreed to.

[Mr. Pickersgill.]

NATURAL GAS EXPORTS TO U.S.

Motion No. 18—**Mr. Argue:**

For a copy of all correspondence, telegrams and other documents exchanged between the federal government and any provincial governments, persons, companies and organizations, since June 10, 1957, relating to the price and volume of natural gas which may be exported to the United States.

Mr. Thomas M. Bell, Parliamentary Assistant, for the Minister of Trade and Commerce: Mr. Speaker, in the absence of the minister could I ask to have this motion stand. I would think that No. 20 should stand as well.

Motion stands.

OLD AGE ASSISTANCE—PROPOSED AMENDMENTS

Motion No. 19—**Mr. Stick:**

For a copy of all correspondence and other documents exchanged between the federal government and the provincial governments, from January 1, 1957 to date, with reference to proposed amendments to the Old Age Assistance Act.

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I believe this can be dealt with at the moment, subject to the usual understanding in regard to obtaining consent from the provincial governments concerned.

Mr. Speaker: Is it the pleasure of the house to adopt the motion subject to the usual reservation?

Some hon. Members: Agreed.

Motion agreed to.

AIR TRAFFIC RIGHTS, WINNIPEG

Motion No. 21—**Mr. Deniset:**

For a copy of all correspondence since 21st June, 1957, between the Prime Minister, the Minister of Transport or other members of the government and the premier of Manitoba regarding air traffic rights at Winnipeg for carriers other than Trans-Canada Air Lines?

Mr. MacDonald, Parliamentary Assistant, for the Minister of Transport: In the absence of the minister, Mr. Speaker, I would ask to have this motion stand.

Motion stands.

PEACE RIVER BRIDGE

Motion No. 22—**Mr. Christian:**

For a copy of all correspondence, telegrams and other documents exchanged between the federal government and the governments of the United States of America and the province of British Columbia, or any departments thereof, relative to the maintenance, repair and/or reconstruction or building of the Peace river bridge on the northwest highway system, dates of such documents to be about the time of the construction of such bridge in the first instance.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, before this motion is called I would like to explain that there is

no correspondence available. There was no exchange of correspondence between the government of Canada and the government of British Columbia or the government of the United States of America dealing specifically with the construction, maintenance, repair and reconstruction of the Peace river bridge. This bridge forms part of the Alaska highway system. The construction was undertaken by the United States, and there has been no correspondence whatsoever since January 28, 1944, when documents were tabled in the house pursuant to an order taken at that time. There have been no further communications relevant to the question raised.

Mr. Speaker: In view of the explanation given by the Prime Minister, does the hon. member wish to withdraw his motion?

Mr. Christian: Yes.

Mr. Speaker: Is it agreed that this motion be dropped?

Some hon. Members: Agreed.

Motion dropped.

LABOUR CONDITIONS

UNEMPLOYMENT—REQUEST FOR DECLARATION OF NATIONAL EMERGENCY

On the orders of the day:

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, I should like to direct a question to the Minister of Labour. Has the minister's attention been drawn to a press report from Vancouver, appearing in the Vancouver *Sun*, that a conference of the British Columbia federation of labour, which 400 delegates attended, had asked that a national emergency be declared to deal with the unemployment situation?

Hon. Michael Starr (Minister of Labour): No, Mr. Speaker, no such notice has been drawn to my attention.

KITIMAT—INQUIRY AS TO UNEMPLOYMENT SITUATION

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Prime Minister. I wonder whether he has received a telegram from the Kitimat-Kemano labour council within the last few days requesting some federal government public works action to overcome the unemployment situation there. If so, what did he reply?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, if I might reply to the question asked by the hon. member for Skeena, three telegrams were received in regard to the Kitimat lay-off including one from the Kitimat-Kemano trades and labour council and one from the minister of labour for the province of British Columbia. We have replied to these telegrams pointing out that we are carefully studying the matter with a view to ascertaining what effective action could be taken. We are fully aware of the serious nature of this situation, and will endeavour to deal with it as promptly as possible.

BRITISH COLUMBIA—STATEMENT ON REPORTED CLOSING DOWN OF HOWE SOUND COMPANY

On the orders of the day:

Hon. Michael Starr (Minister of Labour): Mr. Speaker, in my absence from the house yesterday a number of questions were asked concerning the reported closing down of operations by the Howe Sound Company at Britannia Beach. In so far as these questions were directed specifically to myself I think they can be answered in one statement, as follows. Both questions, Mr. Speaker, dealt with matters of government policy in so far as they concern support or protection for the base metals industry. The present situation of the mine derives from the present condition of the market in base metals, which in turn derives from a number of factors, many of them international in nature and outside the control of this government.

I may say that the whole situation is being actively examined in line with representations received, and when a decision has been reached it will be communicated to this house in the usual way. Meanwhile the mine is still operating, and should the officials in charge of its operations decide that it is no longer economical to continue in production on account of the low world prices presently prevailing in zinc and copper, then the full resources of the Department of Labour will be at the disposal of the workers involved.

POST OFFICE DEPARTMENT

INQUIRY AS TO DIRECTIVE TO MAIL CONTRACTORS

On the orders of the day:

Hon. Jean Lesage (Montmagny-L'Islet): I should like to direct a question to the Postmaster General. Is it his intention to issue a new directive to mail contractors which will be in accordance with the reply he gave to starred question No. 17?

Hon. W. M. Hamilton (Postmaster General): No, Mr. Speaker, it is not my intention to issue a new directive to the mail carriers. It is our intention, since some people seem to be unable to understand the meaning of

the directive, to issue a clarification emphasizing the point which was emphasized today in answer to the hon. member's question.

Mr. Lesage: Will the minister be good enough to table the clarification when it is issued?

Mr. Hamilton (Notre Dame de Grace): Mr. Speaker, the actual document which issues from the department to the districts is a departmental document and should not be subject to tabling. I will, however, be delighted to table the document corresponding to the one which was tabled for the hon. member earlier this session.

THE MINISTRY

INQUIRY AS TO FURTHER REPRESENTATION FROM QUEBEC

On the orders of the day:

Mr. Wilfrid LaCroix (Quebec-Montmorency): Mr. Speaker, may I direct a question to the Prime Minister. In view of the fact that the Prime Minister in a television broadcast on Monday in the following declaration lauded the wise counsel of the nine Conservatives elected in Quebec at the last election, as follows:

I am sure, he added, that at the next election—

Some hon. Members: Order.

Mr. Speaker: Will the hon. member state his question.

Mr. LaCroix: I continue:

—we shall find a good number of other persons of the same calibre among the candidates of our party.

My question is, is it true that he has decided at last to appoint three more of those nine high-calibre members to the cabinet? If not, does the Prime Minister not believe that he should give the same proportional representation to Quebec in the cabinet that he has given to Saskatchewan?

Mr. Speaker: I do not know whether the hon. member is a little hard of hearing, but I attempted to stop him earlier in this question. It has all been asked now, but I must say it is not a proper question to be asked on the orders of the day.

Mr. Hodgson: There are none so deaf as those who do not want to hear.

An hon. Member: Embarrassing to the Prime Minister, though.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, somebody who will remain anonymous for the moment said that the question would be embarrassing. I would be very happy to answer it were it not for your ruling, but the hon. gentleman should not be allowed to make a statement such as that in regard to a ruling by Your Honour.

Mr. Speaker: The hon. member for Essex East (Mr. Martin) raised a question the other day about the effect of a ruling by the Speaker that a question was out of order, and I have given my best consideration to it. I see some problem in declaring a question out of order, particularly a question which makes some imputation or bears some inference if it is left on *Hansard* and is not answered; but I do believe that the proper consequence of the Speaker's ruling is that the question should not be answered and that no one should comment on it either, as has just been done. I hope, if the house agrees with my ruling on the matter, that hon. members will observe the practice that when a question has been declared out of order it will be dropped at that point and neither commented upon nor answered.

Mr. Claude Richardson (St. Lawrence-St. George): May I rise on a question of privilege or a point of order. As I understood it, sir, the comment I heard was not in respect of your ruling but in respect of the question raised by the hon. member.

Mr. Brooks: Explain that to him again.

Mr. Speaker: That was what I was endeavouring to suggest to the house, that if a question is declared out of order it should neither be answered nor commented upon, and I hope hon. members will observe that practice.

PUBLIC SERVICE

POST OFFICE DEPARTMENT—REQUEST FOR REINSTATEMENT OF DISMISSED EMPLOYEE

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): May I direct a question to the Minister of Public Works. Will the minister take steps, as requested by the Brantford labour council, to reinstate Charles Kratzmeir with all lost pay since his dismissal from employment in the Brantford post office?

Hon. Howard C. Green (Minister of Public Works): I should like to thank the hon. member for having given me notice of this question. I shall have steps taken at once to check this case.

SHIPPING

ST.LAWRENCE RIVER—REPORTED DECISION TO KEEP SHIPPING LANES OPEN IN WINTER

On the orders of the day:

Mr. Lomer Brisson (Saguenay): I should like to direct a question to the Minister of

Transport or in his absence to his parliamentary assistant. Is it true that the Department of Transport is prepared to act to keep the St.Lawrence shipping lanes below Quebec city open through the winter, as reported in the *Gazette* this morning?

Mr. A. R. MacDonald (Parliamentary Assistant to the Minister of Transport): Mr. Speaker, may I take the question as notice? It will be answered as soon as possible.

CANADIAN NATIONAL RAILWAYS

MONCTON—REPORTED DISMANTLING AND SCRAPPING OF MACHINERY

On the orders of the day:

Mr. H. J. Murphy (Westmorland): I should like to direct a question to the Minister of Transport or in his absence to his parliamentary assistant. Has the minister received representations from the Canadian National war veterans association of Moncton or other organizations protesting the dismantling and scrapping of thousands of dollars of very valuable machinery in the Canadian National shops in Moncton? If so, what action does he propose to take?

Mr. A. R. MacDonald (Parliamentary Assistant to the Minister of Transport): Mr. Speaker, I will take that question as notice also and will provide the information.

HIGHWAYS

STEWART-CASSIAR, B.C.—REQUEST FOR TABLING OF AGREEMENT

On the orders of the day:

Mr. Frank Howard (Skeena): I have a question to ask the Minister of Northern Affairs and National Resources. In view of the fact that he advised the house yesterday that an agreement has been signed between the federal government and the government of the province of British Columbia with respect to the Stewart-Cassiar road, would the minister be disposed to table that agreement?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, I was going to rise on the orders of the day and make a correction in what I said yesterday. An agreement has been reached but I was in error yesterday in stating that the formal agreement has been signed. If the hon. member will look at my answer carefully he will see that I said there were certain details still to be worked out. I would imagine that as soon as the formal agreement is signed we would be glad to table it, with the permission of the province of British Columbia.

Inquiries of the Ministry

Mr. M. J. Coldwell (Rosetown-Biggar): May I ask a supplementary question. Is the minister implying that an agreement reached between a province and the dominion must be subject to the permission of the province before it can be tabled in this house? I am not talking about correspondence. I am talking about an agreement which has been consummated between a province and the dominion. If that is so it is a departure from the usual practice.

Mr. Hamilton (Qu'Appelle): I may be in error in having used the word "permission". What I meant to say was that in dealing with these matters we like to make the announcement simultaneously so there will be no embarrassment one way or the other.

PUBLIC BUILDINGS

SUDBURY, ONT.—REQUEST FOR STATEMENT ON FEDERAL BUILDINGS

On the orders of the day:

Mr. D. R. Mitchell (Sudbury): I should like to direct a question to the Minister of Public Works. I have already given him notice. First, when does he expect the federal building in Sudbury will be ready for occupation? Second, has he received representations from the city of Sudbury to purchase the old federal building, and will preferred consideration be given the city when tenders are called by Crown Assets Disposal Corporation to dispose of the building or is the highest tender to be accepted?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, we expect that the new building will be ready for occupation about the end of January, 1958. Representations have been received from the city of Sudbury requesting that they be allowed to purchase the old building. The ordinary practice in such cases is that Crown Assets Disposal Corporation calls for tenders for the sale of the building, and then gives the municipality the opportunity to meet the highest tender. There may be special circumstances which make that rule inapplicable, but that is the course that is ordinarily followed.

(*Translation*):

PUBLIC BUILDINGS

MONTREAL, QUE.—INQUIRY AS TO CONSTRUCTION OF POST OFFICE

On the orders of the day:

Mr. Marcel Monette (Mercier): Mr. Speaker, I should like to direct a question to the hon. Postmaster General. Has the minister received from the municipalities of Montreal North, Ville St. Michel, Ville Montreal East and Pointe-aux-Trembles a request for the

construction of a post office in each of those municipalities?

If so, what does the government intend to do in this regard?

Hon. W. M. Hamilton (Postmaster General): I thank the hon. member for his courtesy in giving me notice of his question. We have received no representations from the municipal authorities of the said towns with regard to the construction of a post office.

However, on January 23, 1957, the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets) received from the authorities of Ville St. Michel a request emphasizing the need of a new post office in that town. The then postmaster general replied, by letter dated February 7, 1957, that any decision as to the need of a postal station would be postponed until that district had further developed.

(*Text*):

NATIONAL DEFENCE

U.S.-CANADA—INQUIRY AS TO JOINT AIR DEFENCE COMMAND

On the orders of the day:

Mr. W. J. Henderson (Kingston): Mr. Speaker, might I direct a question to the Minister of National Defence. It is further to a question I asked and an answer I received yesterday with respect to the United States-Canada joint air defence command and further to the committing of Canadian forces by General Partridge. My question is this. If there was an immediate attack by air across the D.E.W. line by an aggressor, how could there be consultation with the government of Canada prior to Canadian fighters being put in the air?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, by telephone or other means.

Hon. Paul Martin (Essex East): Mr. Speaker, is the Minister of National Defence aware of the fact that on September 6 the continental air defence commander, General Partridge, in answer to a question said that he was not now obliged first to obtain the permission of the President of the United States under present circumstances, that he would not have to wire Washington, that it would be too late?

Mr. Pearkes: Mr. Speaker, I am not aware of that and I question very much whether that is the arrangement existing between General Partridge and the President of the United States.

[Mr. Monette.]

Mr. Martin (Essex East): I am sending over the question put to the continental air defence commander and the answer given, and I should like to ask a supplementary question. Can my hon. friend say whether or not Her Majesty's government in the United Kingdom was advised of this proposed step? Can my hon. friend also say whether this matter was discussed in the defence committee of the cabinet?

Mr. Diefenbaker: Oh, oh.

Mr. Martin (Essex East): The Prime Minister says "oh, oh". This is an extremely important matter.

Mr. Diefenbaker: It certainly is.

Mr. Martin (Essex East): Was it discussed in the defence committee and was it discussed in cabinet? Was it a decision of cabinet or was it a decision merely based upon ministerial discretion?

Mr. Pearkes: Mr. Speaker—

Mr. Speaker: Order. Before the minister answers the question, may I say that I consider inquiry into what took place in cabinet as being irregular, though other parts of the question seem to be in order.

Mr. Pearkes: Mr. Speaker, may I say that I am surprised that an ex-member of the cabinet should put such a question to me. I am bound by the same oath of secrecy he was.

Mr. Martin (Essex East): Mr. Speaker, I am sure that in this particular instance Your Honour is suffering under a misunderstanding as to the nature of my question. I did not ask the minister what was discussed by the defence committee or what was discussed by the cabinet. I merely asked a question which I think is open to any member of parliament to ask in this house, and that is to ask of the government whether a decision so vital as this was discussed, first of all, by the defence committee and by the cabinet itself. I am not asking what was discussed in cabinet. I am merely asking whether this decision was made by this agency of the executive or by the executive arm of government itself.

Mr. Diefenbaker: Mr. Speaker, however much my hon. friend wishes to turn or twist the words he used, the question constitutes a direct interference with constitutional rights.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Never before in my experience in the house have I heard a question asked as to whether a decision was made by the cabinet.

An hon. Member: What about your speeches?

Mr. Diefenbaker: How many are acting as Speaker here?

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. Diefenbaker: My hon. friend knows that he has carried the type of questioning that has been going on lately far beyond fair limitations. This is one question that contravenes our rights.

Mr. Speaker: I was hearing the Prime Minister on the point of order, and I called him to order because I thought he was going beyond that point. I have already given my decision on the question, and I think it is hardly proper for the house to continue the discussion on the point of order except to clarify a possible misunderstanding. I understood the hon. member's question and my view of it, as I stated, is that an inquiry into the method by which the government arrives at its decision in cabinet is entirely out of order. Even to ask whether it was on the agenda is out of order in itself, and that is what the hon. member asked. What can be asked, of course, is what decision the government came to. As I understand the situation, the decision of the government is one and indivisible. Inquiry into how it is arrived at and particularly inquiry into the cabinet process is not permitted in the house.

Mr. Coldwell: On a point of order, Mr. Speaker, may I ask this question. Is it not permissible for an hon. member to ask whether it is a government decision or a decision of a minister?

Mr. Speaker: My hon. friend is asking a hypothetical question. I shall be glad to deal with that matter when it arises, but no one has asked such a question today. I could give my view, if the house wants it. I think hon. members have the right to know whether a minister has declared his policy or whether it has been declared as the policy of the government.

Mr. Martin (Essex East): Mr. Speaker, may I ask this question of the Prime Minister. Was this decision taken by the Minister of National Defence or was it a decision of the government of Canada as a whole?

Mr. Diefenbaker: Mr. Speaker, the decision was the decision of this government.

Mr. Martin (Essex East): Then, Mr. Speaker, may I ask the Prime Minister this question. In view of the fact that the hon. member for Algoma East (Mr. Pearson) asked for the tabling of all documents and the only document tabled was an order in council setting out the salary of the vice air commander, will the Prime Minister indicate to the house whether or not there is a minute of cabinet or an order in council that can be tabled in this house?

Mr. Speaker: I should like to comment on the question that has just been asked by the hon. member for Essex East. If the inquiry is as to whether there is an order in council I think that is a question which may be answered, although as I understand it all orders in council are public information and are equally open to inspection by any hon. member. However, as a matter of convenience I think that question might be asked as a short-cut to getting the information but not, as I am advised, with regard to a minute of council.

Mr. Martin (Essex East): Mr. Speaker, I think your correction about the minute is well taken. May I ask the Prime Minister if there was an order in council, and whether it will be tabled?

Mr. Diefenbaker: Mr. Speaker, all orders in council in connection with that matter have been tabled.

Mr. Martin (Essex East): Then there was no order in council.

TRADE

PORK—INQUIRY AS TO ALLEGED REPACKING OF U.S. IMPORTS

On the orders of the day:

Mr. Solon E. Low (Peace River): Mr. Speaker, I have a question I would like to direct to the Acting Minister of Agriculture or the parliamentary assistant to the minister. Certain news reports were circulating this morning to the effect that United States pork products have been brought into Canada during recent weeks, repackaged or relabelled and sold as Canadian pork products. I wanted to ask the acting minister or his parliamentary assistant if he would make inquiries to ascertain whether these reports are true, and if so what the government proposes to do to stop such a practice.

Mr. John Charlton (Parliamentary Assistant to the Minister of Agriculture): Mr. Speaker, as no notice was given of this question I will have to take it as notice and give the answer later.

U.S. DISPOSAL PROGRAM—REQUEST FOR CLARIFICATION OF MINISTER'S STATEMENT

On the orders of the day:

Mr. A. B. Macdonald (Vancouver-Kingsway): I would like to direct a question to the Minister of Finance. Further to the optimistic

report given to the house by the minister with regard to the recent conference in Washington on economic and trading relations with the United States, would the minister clarify his statement of last Friday that he is far from satisfied with recent assurances given by the United States government with respect to its surplus disposal programs?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I observe that in my absence yesterday a similar question was asked by the hon. member for Humboldt-Melfort (Mr. Bryson), as recorded at page 757 of *Hansard* in the following terms:

> Would the minister inform the house as to the reason for making the statement in New York over the week end that Canada is far from satisfied with the assurances recently given by the United States government regarding its surplus disposal policy. What further steps does the government consider taking in the face of this dissatisfaction?

Both those questions I take it have reference to an address I delivered last Friday in New York to the annual Maple Leaf dinner of the Canadian Society of New York. The statement I made there outlined the objections which the Canadian government has taken to the agricultural surplus disposal program of the United States administration and are quite in keeping, in fact identical, with those objections which the four Canadian ministers put before their four opposite numbers of the United States cabinet at the meeting in Washington a month ago to which my hon. friend refers.

As the house may recall from the report I made here a fortnight ago with respect to that meeting, the United States ministers in the joint statement which was issued at the conclusion of the two-day conference gave us an assurance in regard to the barter feature of the methods followed in the disposal of agricultural surpluses in the United States. That assurance, or at least the particular undertaking given by the United States secretaries, was confined to the barter feature of the program, as I pointed out in my report to the house; but the Canadian government has made no attempt to disguise the fact that, with regard to all features of the surplus disposal program of the United States administration, it regards that program as being very damaging to Canada's interests in reference to the marketing of wheat; and on any occasion we propose to put forward that strong point of view of the Canadian government.

Mr. M. J. Coldwell (Rosetown-Biggar): Has the minister taken any exception to the manner in which the present secretary for agriculture in the United States proposes to endeavour to sell more United States wheat in Japan, when he suggests that they would be prepared to take local currency and invest that currency in that country? I think many people believe this is a serious interference with Canada's trade in wheat with Japan. Did the minister get any assurance that that kind of practice will be stopped? I imagine that is one of the practices he had in mind when he said there were some other practices outside of barter which he felt were not in keeping with the understanding.

Mr. Fleming: Mr. Speaker, the hon. member asked a similar question last week of my colleague the Minister of Trade and Commerce.

Mr. Coldwell: Not quite the same.

Mr. Fleming: It was on the same point. The secretary for agriculture in the United States cabinet well understands the position of the Canadian government in regard to that and other methods employed by the United States administration in its agricultural surplus disposal program.

BROADCASTING

FOWLER COMMISSION—INQUIRY AS TO IMPLEMENTATION OF RECOMMENDATIONS

On the orders of the day:

Mr. E. G. Hansell (Macleod): I would like to direct a question to the Minister of National Revenue. Since the Fowler commission report and recommendations on radio and television were presented some considerable time ago, can we expect that any changes will be made this year in the legislation governing radio and television in Canada?

Hon. G. C. Nowlan (Minister of National Revenue): Mr. Speaker, the reference to this year I presume means this calendar year. The matter of the Fowler commission report is receiving the attention of the government. It will involve substantial legislative changes, and those changes are of such a nature that they would, I think, require some substantial and prolonged consideration in parliament. Therefore I would not think it advisable or possible to deal with them in this session of parliament during this year.

THE CANADIAN ECONOMY

CONSTITUTION OF ROYAL COMMISSION ON ENERGY

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): I would like to direct a question to the Prime Minister, Mr. Speaker. Has the royal commission on energy, the establishment of which was announced by him on October 15,

1957, been constituted as yet? If it has not, why not; and also if it has not, when is it expected that it will be so constituted?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the hon. gentleman was kind enough to let me know he was going to ask this question. The commission was constituted on October 15 last. Preparatory work is now being done; no determination has yet been reached pending the completion of that preparatory work, as to the date of the commencement of the sittings.

Mr. McIlraith: Then may I ask a supplementary question. In view of his answer would the Prime Minister elucidate the answer he gave on October 16, 1957, as it appears on page 32 of *Hansard*, where he said "If when the commission is constituted it is deemed advisable—" and so on. He used the term "if when the commission is constituted", and that was in answer to a question put on October 16 this year.

Mr. Diefenbaker: Well, as a matter of fact, the use of the word "constituted" there was the word upon which my hon. friend based his question.

Mr. McIlraith: Yes.

Mr. Diefenbaker: At that time I was discussing in general the commencement of the sittings and the decisions to be arrived at. The actual constitution was under order in council.

BUSINESS OF THE HOUSE

REQUEST THAT PRECEDENCE BE GIVEN LEGISLATION ESTABLISHING GUARANTEED AGRICULTURAL PRICES

On the orders of the day:

Mr. E. B. Huffman (Kent, Ont.): I would like to ask the Minister of Public Works, the house leader, if he would arrange the business of the house so that the resolution to establish guaranteed prices for certain agricultural commodities will come before parliament before the resumption of the debate on the speech from the throne.

Hon. Howard C. Green (Minister of Public Works): It is not the intention of the government to bring on that debate before the conclusion of the debate on the speech from the throne.

(*Translation*):

THE SENATE

STATEMENT AS TO APPOINTMENT OF FRENCH-SPEAKING REPRESENTATIVE FROM ONTARIO

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, last Friday the hon. member for Russell (Mr. Gour) asked whether a French-speaking representative from Ontario would soon be appointed to the Senate. My answer is yes.

Mr. Gour: Mr. Speaker, I sincerely thank the right hon. Prime Minister.

(*Text*):

COMBINES INVESTIGATION ACT

BREWING INDUSTRY—ACTION TAKEN ON REPORT OF INQUIRY

On the orders of the day:

Mr. F. C. Stinson (York Centre): Mr. Speaker, I wish to address a question to the Minister of Justice. Has any decision yet been made as a result of the report of the restrictive trade practices commission on the brewing industry?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I thank the hon. member for his courtesy in sending me notice of this question, and I am able to advise him and the house that this matter has been reviewed and has now been referred to counsel with instructions for prosecution.

HOUSING

N.H.A.—LOWERING OF DOWN PAYMENTS ON HOMES

On the orders of the day:

Mr. Maurice Bourget (Levis): Mr. Speaker, I wish to direct a question to the Minister of Public Works. Can the minister inform the house if it is the intention of the government to lower down payments on N.H.A. homes, and if his answer is in the affirmative, when may we expect an official announcement from the government?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I can make no announcement on that question. If and when such a policy is decided upon it will be announced in the house.

Mr. Bourget: So there is no immediate intention of the government to lower down payments—

Mr. Green: Mr. Speaker, to answer that would be going too far. All I can say is that if and when a policy is adopted it will be announced in the house.

STATEMENT ON NUMBER OF STARTS IN ALBERTA

On the orders of the day:

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, on November 4 the hon. member for Bow River (Mr. Johnston)

asked me for information concerning the number of starts under the $150 million plan for low price homes. At that time the hon. member intimated that he had been informed there had been only 12 such starts in Alberta. I now have the figures for Alberta to the end of October, and I find there have been 118 starts in Calgary and 635 in Edmonton, a total of 753, and the number of loans which have been approved under this scheme in those two offices are 246 in Calgary and 732 in Edmonton, a total of 978. That involves total loans of over $9,400,000, and in addition there are many applications which have not yet been dealt with finally.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I should like to direct a supplementary question to the Minister of Public Works arising out of his answer to the hon. member for Bow River. Is the minister in a position to advise the house how much of the $150 million is now left in the fund?

Mr. Green: Mr. Speaker, as of the end of last week there had been loans approved amounting to $80,500,000 for a total of 8,264 units, which indicates, of course, that the average amount per unit is now considerably lower than $10,000.

In addition there still seems to be a potential of about $41 million which comprises requests for loans and requests for approval in the offices of Central Mortgage and Housing Corporation or applications still in the hands of approved lenders. This would indicate a total of something over $121 million as being committed, which would leave a balance of about $28 million.

Mr. C. E. Johnston (Bow River): A supplementary question, Mr. Speaker. As the minister did give the number of starts for housing in Alberta, I wonder if he could bring us up to date on the subject and give us the number of starts for all the provinces.

Some hon. Members: Order.

Mr. Green: Mr. Speaker, I am not in a position to give the starts for the other provinces. I was so startled by the figure given by the hon. member for Bow River two days ago when he intimated that there had been only 12 starts in Alberta that I put on a special burst of speed in order to prove how far off the mark he was.

Mr. Johnston (Bow River): A supplementary question, Mr. Speaker. I was only using the figures that the minister himself gave previously.

[Mr. Green.]

OIL

REPORTED DISCUSSIONS BETWEEN PRIME MINISTER AND PREMIER OF ALBERTA

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I would like to address a question to the Prime Minister. Would the Prime Minister care to comment on the result of recent talks between Premier Manning and himself, reported to have taken place in the Toronto *Daily Star* of November 5, in respect to oil production?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have not seen the Toronto *Daily Star* of November 5. After I have perused it I will give the hon. gentleman an answer.

PIPE LINES

TRANS-CANADA PIPE LINES—STATEMENT ON EXPLOSIONS IN SASKATCHEWAN AND MANITOBA

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I wish to take this opportunity to reply to a question asked by the hon. member for Moose Jaw-Lake Centre and also, I think, by the hon. member for Rosetown-Biggar in connection with the results of investigations on the part of the board of transport commissioners into Trans-Canada Pipe Lines explosions in the province of Manitoba, and also one at Mortlach in the province of Saskatchewan.

The board of transport commissioners reports that an investigation has taken place not only in these cases but also in all cases where there have been explosions on pipe lines under the board of transport commission's jurisdiction. They have not been able to determine exactly the reason for the explosions. They find that the breaks which have occurred appear to have been in the longitudinal seam welds, but the reason for the breaks has not been determined. Testing was carried out under a pressure of 110 per cent of the maximum allowable working pressure. In addition, the piping is inspected visually at the factory and on the job. What has happened must have been the result of latent and as yet undiscoverable defects. The company has also instituted an investigation and is doing everything it can to ascertain the reason for the explosions, but as yet no determination of the cause has been arrived at.

ARTS, LETTERS AND SCIENCES

REPORTED INCREASE IN GRANTS FOR SCIENTIFIC EDUCATION

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Prime Minister if he would make an early statement to the house on the increased federal grants for scientific education which he forecast yesterday at Toronto. I believe there is a great deal of interest in this matter.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, there was no forecast; there was a consideration of the need for an expansion of scientific education, and also of providing for a larger number of science graduates in our country and throughout the free world. This is a matter which has been brought before the free people of the world in the last few weeks as a result of the launching of Sputnik I and its successor, as well as by the appearance of the intercontinental ballistic missile.

One of the matters to be discussed when the North Atlantic Treaty Organization council meets in Paris will be the means whereby we can achieve something of unity in this regard in scientific and technological education, to the end that the free world may be able to maintain its advances in keeping with the type of developments which have taken place in the Soviet union under state control, and do so without in any way sacrificing our democratic way of life.

Mr. Pickersgill: May I ask the Prime Minister a supplementary question, whether the government has considered making any increase in federal grants?

Mr. Diefenbaker: That question is a matter of government policy.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I did not quite get the question. Maybe it was the same as the one I was going to ask. I intended to ask the Prime Minister if I may infer from what he said that this means the government will give some consideration to making further aid for education available, and also federal scholarships in the scientific field.

Some hon. Members: No answer.

AGRICULTURE

POULTRY AND EGGS—PRICE SUPPORTS AND IMPORT CONTROLS

On the orders of the day:

Mr. G. H. Castleden (Yorkton): Mr. Speaker, I wish to ask a question of the Minister of Agriculture or, in his absence, of his parliamentary assistant. Will the minister inform the house as to any recent changes in price supports on poultry and eggs, and of any change in import controls on turkeys?

Mr. John Charlton (Parliamentary Assistant to the Minister of Agriculture): Mr. Speaker, the hon. member for Yorkton has just sent me what purports to be a copy of the question he has asked, but it does not seem to be in the same words.

This is a matter of policy, and any change in policy will be announced by the Minister of Agriculture.

STATEMENT AS TO FINANCIAL ASSISTANCE TO CHEESE FACTORIES

On the orders of the day:

Mr. John Charlton (Parliamentary Assistant to the Minister of Agriculture): Mr. Speaker, in answer to the question asked yesterday by the hon. member for Stormont (Mr. Lavigne), I may say that financial assistance for the amalgamation and improvement of cheese factories has not been discontinued.

BUTTER—PORTION OF INCREASE IN PRICE TO BE RETURNED TO PRODUCER

On the orders of the day:

Mr. J. H. Harrison (Meadow Lake): Mr. Speaker, I would like to direct a question to the Minister of Agriculture or, in his absence, to his able parliamentary assistant. I did not send him notice of this question because, knowing his ability, I knew he would be able to answer it without my doing so.

How much, if any, of the 5 cents per pound increase that the government has allowed dealers holding butter to charge consumers will be returned to the farmers who produced the butter?

An hon. Member: Your premise is wrong.

Mr. John Charlton (Parliamentary Assistant to the Minister of Agriculture): Mr. Speaker, I thank the hon. member for the compliment he has paid me, but I think that is a question which should more properly be given a little more consideration before it is answered.

PUBLIC WORKS

STE. ANNE DE SOREL—RECONSTRUCTION OF PROTECTION WALL

On the orders of the day:

Mr. Lucien Cardin (Richelieu-Vercheres): Mr. Speaker, I wish to direct a question to the Minister of Public Works. Is it the intention of the government to proceed with the three-year project for reconstruction of the protection wall at Ste. Anne de Sorel,

which I understand was approved by the previous government? If so, would it not be advisable to begin the reconstruction of the wall immediately, so as to relieve the unemployment situation in that area?

Hon. Howard C. Green (Minister of Public Works): The hon. member was good enough to give me notice of his question, and in reply may I say that the officials of the Department of Public Works advise me that it is necessary to reach an agreement with the municipality concerned before this work can be commenced. Evidently negotiations are under way, but they have not yet been completed.

Mr. Bourget: May I ask a supplementary question. Is the minister not aware that it was always the policy of the government in the past to pay 100 per cent of the cost of the construction of such walls?

Mr. Green: That may have been the case with regard to a certain type of wall, but with regard to another type of wall with which the hon. member is well acquainted, the practice of the preceding government was to put a wall in front of Liberal farmers and none in front of anybody else.

An hon. Member: Not true.

Mr. Bourget: I would not have thought the minister could get away with this. It has been the policy of the government in the past to pay 100 per cent of the cost.

Some hon. Members: Order.

Mr. Speaker: If the hon. member is rising on a point of order I will be glad to hear him.

Mr. Stick: It is the Conservative wall.

Mr. Studer: A stone wall.

NEW BRUNSWICK-PRINCE EDWARD ISLAND—INQUIRY AS TO INVESTIGATION INTO CAUSEWAY

On the orders of the day:

Mr. H. J. Murphy (Westmorland): Mr. Speaker, may I direct a question to the Minister of Public Works. Is the minister in a position as yet to report on the progress of the investigation into the possibility of a causeway from Westmorland county, New Brunswick, to Prince Edward Island?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, about two weeks ago I told the hon. member that investigations were being made by the department, and no final conclusion has as yet been reached.

[Mr. Cardin.]

INDUSTRY

BONAVENTURE, QUEBEC—STATEMENT ON REPORTED PROMISE TO BUILD PULP MILL

On the orders of the day:

Mr. Wilfrid LaCroix (Quebec-Montmorency): Mr. Speaker, may I ask the Minister of Public Works if he is ready to give me an answer in connection with the question I asked him yesterday?

Hon. Howard C. Green (Minister of Public Works): Yes, Mr. Speaker, I have a very good answer ready for that question. As reported at page 763 of *Hansard* of yesterday the hon. member asked the following question:

> In view of the fact that most of the pulp mills in the province of Quebec have cut down employment since the last federal election, is it true that the government has decided to build a pulp mill at Bonaventure in the province of Quebec, as promised by the hon. member for Bonaventure (Mr. Arsenault) during the last election campaign?

Mr. Gauthier (Portneuf): That is right.

Mr. Green: The answer is this, that in the first place the unemployment in the pulp mills had commenced long before the last federal election.

Mr. Gauthier (Portneuf): No.

Some hon. Members: No, no.

Mr. Green: The second point is that the hon. member for Bonaventure has been most insistent and very effective in making demands upon the government that some action be taken along this line.

Mr. Lesage: Is he getting anywhere?

PRICE SPREADS

INQUIRY AS TO ESTABLISHMENT OF ROYAL COMMISSION

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Prime Minister. Has the Prime Minister anything to add to his reply given in this house to a question of mine on October 15, in which he said that within a few days an announcement would be made regarding the establishment of a royal commission to inquire into price spreads affecting agricultural products? Can the Prime Minister say what progress has been made in establishing this commission?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I would say to the hon. gentleman that the matter is receiving consideration at this time. The government is not yet in a position to make a final announcement as to the setting up of the commission, but I am hoping a decision in this regard will be made shortly. As I told the hon. gentleman

when he asked the question originally, as soon as a decision is made it will be announced in the house and the full particulars as to the members of the commission and the field of its activity will also be announced.

HOUSE OF COMMONS

AUDIBILITY OF REMARKS OF MR. SPEAKER

On the orders of the day:

Mr. T. J. Irwin (Burnaby-Richmond): Mr. Speaker, I wish to direct a question to the Minister of Public Works. Will his department consider having the microphone adjacent to Mr. Speaker made live at all times in order to overcome any hardness of hearing on the part of members and also to make Mr. Speaker audible at this end of the chamber at all times?

Hon. Howard C. Green (Minister of Public Works): Well, Mr. Speaker, I am not sure whether the fault is in the microphone or in the Speaker, but we will do our best to get this problem settled.

Mr. Speaker: We may have either to lower the microphone or elevate the Speaker.

GRAIN

WHEAT—PRICE OF SALES TO MILLERS IN PRAIRIES

On the orders of the day:

Mr. W. A. Tucker (Rosthern): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce or, in his absence, to his parliamentary assistant. Yesterday the minister gave the selling price of wheat in store at Fort William and Vancouver. Would the minister or his parliamentary assistant give the prices at which wheat is sold to millers for milling at some central point on the prairies such as Saskatoon?

Mr. Thomas M. Bell (Parliamentary Assistant to the Minister of Trade and Commerce): Mr. Speaker, I will take note of this question and present it to the minister for answering.

AIR TRANSPORT

PORT ARTHUR, ONT.—AIR CARRIER LICENCES

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, in the absence of the Minister of Transport I would like to direct a question to his parliamentary assistant. Would the minister check the accuracy of part 2 of question No. 49 answered on page 750 of *Hansard*, because I have reason to doubt the accuracy of the answer.

Mr. A. R. MacDonald (Parliamentary Assistant to the Minister of Transport): I should like to take the hon. member's question as notice and get the information as soon as possible.

COMMONWEALTH CONFERENCE

STATEMENT ON TRADE AND ECONOMIC MEETING

On the orders of the day:

Hon. Donald M. Fleming (Minister of Finance): Yesterday the hon. member for Essex East, noting that five weeks had elapsed since the Mont Tremblant conference, asked two questions. The first was as follows:

> Has any commonwealth government yet acted on the recommendation on any one of the finance ministers that a commonwealth trade and economic conference should be held?

The answer is yes.

The second question reads:

> At the same time, could the minister indicate whether or not any decision has yet been reached as to when and where this conference will take place?

I had indicated earlier, Mr. Speaker, that the decision taken at Mont Tremblant concerned a conference to be held in 1958. No decision as to the precise time and place is expected to be taken until the first of the meetings of the officials in preparation for the conference.

Mr. Martin (Essex East): In January?

Mr. Fleming: Again, no precise date has been set for the meeting of the officials but it is expected that it will be held early in the new year.

LIVESTOCK

STATEMENT ON REQUEST FOR ADDITIONAL VETERINARY SERVICES IN SOUTHERN B.C.

On the orders of the day:

Mr. John Charlton (Parliamentary Assistant to the Minister of Agriculture): In answer to the question asked by the hon. member for Okanagan Boundary (Mr. Christian) yesterday as to inspection of cattle being exported from southern British Columbia, I am informed that this trade has increased to unusually high levels in recent weeks. When it became evident that available veterinarians in the area could not make the required inspections promptly, steps were taken to provide additional staff. Two additional federal veterinarians have been moved into the area and assistance is being given by provincial government veterinarians. It is now expected that the backlog of work should be cleaned up in a short time.

In this connection I quote from a telegram just received by the veterinary director general from Mr. J. E. Fry, secretary of the British Columbia beef cattle growers' association:

Re veterinary service on export cattle shipments B.C. Glad inform you have had excellent co-operation your Vancouver office also have been able arrange good and freely-given assistance from B.C. department agriculture believe situation now under control in Penticton, Kamloops, Williams Lake from which districts principal exports in this province.

PRAIRIE FARM REHABILITATION

INQUIRY AS TO EXTENSION OF LEGISLATION TO BRITISH COLUMBIA

On the orders of the day:

Mr. John Charlton (Parliamentary Assistant to the Minister of Agriculture): On Tuesday, November 5, at page 761 of *Hansard*, the hon. member for Okanagan Boundary asked a question having to do with the Prairie Farm Rehabilitation Act. I just wish to say to him that this is a matter of government policy, and any changes will be announced in due course.

WAR VETERANS' ALLOWANCE ACT

AMENDMENTS RESPECTING ALLOWANCES, INCOME, COVERAGE, ETC.

The house resumed, from Tuesday, November 5, consideration in committee of the following resolution—Mr. Brooks—Mr. Casselman in the chair:

That it is expedient to introduce a measure to amend the War Veterans' Allowance Act, 1952, to increase the monthly rates of certain allowances and permissible income; to extend the provisions of the act to additional classes of veterans, widows and orphans; and to increase the salaries of the members of the war veterans allowance board.

Mr. Quelch: Mr. Chairman, I have always had a very high regard for the Minister of Veterans Affairs. I have been associated with him on veterans committees for the past 22 years, and during that time I have come to know him as a persistent fighter in the interests of the veterans. We in the Social Credit group and the C.C.F. group along with other members of his party have always joined with him in trying to improve the conditions of the veterans. But of course it will continue to be our duty in this group and in the C.C.F. to continue that fight if for no other reason than that of strengthening his hand. He himself, of course, will no longer need to fight for these things in the house, but he will have to fight with the cabinet and the treasury board in order to obtain the funds to reach the objective that he himself has striven for in the past.

I think the minister is to be commended for this measure. It is in line with the proposals that have been made by him in the past, and I trust that this measure will be referred to a special committee on veterans affairs or, better still, that he will carry out one of the things he has advocated in the past, namely the setting up of a standing committee on veterans affairs and then refer this measure to that standing committee.

I have always felt that the War Veterans' Allowance Act was one of the most important acts coming under the Department of Veterans Affairs. I say that because the War Veterans' Allowance Act may be regarded as the veteran's last resort in case of need. For example a disabled veteran, unable to get a pension owing to the fact perhaps that his disability has been classed as being of pre-enlistment origin or not attributed to the war, has to depend upon the War Veterans' Allowance Act in order to get any form of compensation.

Then we have the aged veteran farmer who may be a small farmer with a family, who finds that his farm can no longer support himself, his wife and grown-up children. He turns the farm over to the son and seeks the war veterans allowances. The same thing applies to the aged veteran worker who can no longer continue at his trade and who has not been able to build up a reserve for old age, and also applies for the war veterans allowance.

In the past we have been very fortunate in the type of men who have administered the War Veterans' Allowance Act. However, there are a number of limitations in the act which make it impossible for many of our aged veterans in need to obtain an allowance. First of all there is the ceiling on permissible income being too low. For the single veteran it is $960 and for the married veteran, $1,620. Very often we find that wives of the recipients of the war veterans allowance try to improve their condition by getting jobs and after a while they receive a notice from the war veterans allowance board to the effect that as a result of the wife's wages the joint income has exceeded the permissible income, with the result that the war veterans allowance is cut off and then later reinstated at a lower figure to make it possible for the war veterans allowance board to recover the overpayment.

On a number of occasions the Legion has asked that the allowance be raised to $1,200 for a single veteran and $2,000 for a married veteran. I have always regarded the Minister of Veterans Affairs as one of those members who have fought to achieve that objective. I was therefore somewhat surprised yesterday when he interjected while

the hon. member for Kootenay West was speaking. I quote from *Hansard* at page 802:

> It was a great disappointment to the veterans all across Canada that the government did not see fit at that time to raise the ceiling. I did mention that the Canadian Legion had recommended a certain ceiling but I did not say that was the ceiling I was recommending. I said "raise the ceiling".

It may be true that in the instance the minister was referring to he was not advocating that the ceiling be $1,200 for single veterans and $2,000 for married veterans.

But the minister must recall that on a number of occasions in the house or in the veterans affairs committee he has advocated not only that the ceilings on permissive income be raised to $1,200 for single veterans and $2,000 for married veterans but that he actually voted in favour of those ceilings. For fear the Minister of Veterans Affairs has forgotten just what he has done in the past let me refer him to the report of the committee on veterans affairs dated Thursday, March 24, 1955, page 139. A motion was moved by Mr. White of Hastings-Frontenac, seconded by Mr. Green, as follows:

> That the committee recommend that the government give consideration to introducing legislation during the present session of parliament which will have the effect of providing for amendments to this bill that will substitute $1,200 for $840 in section 1, column 3 of schedule A, and $120 for $108 in sections 2 and 3 of column 2 in schedule A, and $2,000 for $1,440 in sections 2 and 3, column 3 of schedule A.

It is interesting to note that when the vote was taken those who suported that amendment were Messrs. Brooks, Dinsdale, Gillis, Hahn, Harkness, Herridge, Pearkes, Quelch and White. I notice that the name "Green" is not there. I presume the Minister of Public Works was not present in the committee that day because I am sure if he had been not only would he have voted for the amendment but he would have filled two or three extra pages of the report of the proceedings speaking in support of it.

Therefore, while the minister may be right that at the time referred to by the hon. member for Kootenay West he was not supporting the idea of permissive income ceilings being raised to $1,200 and $2,000, nevertheless he is on record as having fought and fought persistently to achieve that objective in the past and, as I say, has not merely supported it vocally but has voted in favour of it.

It is interesting to note that in the United States the ceiling under the comparable legislation is even higher than that advocated by the Legion. In the United States the legislation comparable with the war veterans allowance is known as the disability pension, and I quote from a world war I fact sheet put out by the veterans administration of the United States. They make this comment:

> Disability compensation and disability pension should not be confused. Compensation is payable to eligible veterans, whose disabilities are due to service. Pension is payable to veterans whose total and permanent disabilities are not due to service.

At the age of 65 these pensions can be paid even though the veteran is not disabled. With regard to the ceilings on their income, I quote again:

> The pension is payable only if the veteran's income does not exceed $1,400 a year without dependents, or $2,700 if he is married or has a minor child.

In addition to these amounts the veteran is allowed his social security which in some cases would amount to several thousands of dollars. In so far as permissive income is concerned, the United States legislation is far more generous than ours. It is true that in some respects the legislation is not as good —for instance, the amount of the allowance. I quote again from the report.

> The monthly rate is $66.15 which is increased to $78.75 after ten years or when the veteran reaches age 65.

You will note that a single veteran is very much better off than a single veteran in this country but they do not differentiate between single and married veterans. On the other hand, if the veteran is totally disabled the amount of the pension can be increased to $135.45 a month. So I think it is only fair to say that the United States legislation comparable with the war veterans allowance is very much more generous.

Our legislation is not too bad for the veteran who is able to work because he can take advantage of section 4 or he may obtain casual earnings of $50 a month or $600 a year. Unfortunately, however, the disabled veteran who is not able to work is not in that position. The present Minister of Veterans Affairs has argued the case of the disabled veteran eloquently in the house and committee on a number of occasions. Let me refer to what the minister said, as found on page 1734 of *Hansard* of March 4, 1955. At that time the minister stated:

> The employable veteran can take advantage of casual earnings, and I commend the minister and the department upon their definition of casual earnings and extending casual earnings so that a man will be able to earn an average of $50 a month. Also the single employable veteran can take advantage of section 4 of the act. The same applies to the married veteran who is employable; he can take advantage of section 4 and also of the casual earnings.
>
> The veteran who loses out is the man with a small pension. His pension and his war veterans allowance now have a ceiling beyond which he cannot go, and he may not be employable.

I would say that at the present time we discriminate quite severely against the recipient of war veterans allowance who is disabled and unable to work compared with the veteran who is able to work. Surely the main purpose of the act should be to take care adequately of the man who has been disabled as the result of his war service and is not able to supplement his allowance by earnings.

I want to refer to a table to show the effect that this legislation has upon these two classes. For instance, take a single veteran who is able to work. He can have casual earnings of $50 a month, making a total of $600 a year. He can have war veterans allowance of $60 a month, making a total of $720 a year. He is allowed other income of $20 a month, making a total of $240, which means that the single veteran who is able to do odd jobs can earn and receive as much as $1,560.

Compare the case of the single veteran who is able to work with that of a single veteran who is disabled and unable to work and receives a small disability pension equivalent to the amount of the casual earnings. The disability pension of $50 a month makes a total of $600. In that case the maximum amount of war veterans allowance that man is allowed to have is $30 a month instead of $60, making a total of $360 a year or an overall total of $960.

On the one hand you have a situation where the recipient of war veterans allowance who is able to do odd jobs can receive as much as $1,560 while on the other hand the recipient of war veterans allowance who suffered disabilities as the result of his war service is only able to receive a total of $960 because we do not classify his disability pension in the same way as we classify casual earnings. In other words, we classify the disability pension as income and we do not classify the casual earnings of $600 as income.

The minister has spoken strongly on that point many times and I know he feels quite sincerely about it. I gather from the way he introduced the resolution that it is not intended to deal with that matter at this time. I am not going to criticize him on that point because I realize that he is bringing in a number of changes that are to the advantage of the veteran and it takes time to accomplish all these things, but I do hope he will give very sincere consideration to this matter so that at least at the next session of parliament the necessary changes can be made to remove what appears to be discrimination against the veteran receiving a disability pension.

The minister has referred to a number of limitations—I will call them limitations—that he intends either to remove or modify by this measure. Apparently he is going to allow the veteran to leave the country for a certain length of time without being penalized by losing his war veterans allowance. We trust that he will be able to leave for at least as long a period as a recipient of old age security can leave the country, namely six months.

Then I understand that veterans who saw service in England only, under certain conditions will be allowed to receive the war veterans allowance. I have always argued that where a veteran volunteered for service in any theatre of war he was entitled to the war veterans allowance even though he did not get beyond England because that was not his fault. He had volunteered for service anywhere. If the army found that they could use him to better advantage in England than elsewhere, the veteran should not be penalized as a consequence. I am hoping that the legislation will provide that all these veterans who volunteered for service overseas and were left in England will be eligible for the war veterans allowance.

Then the minister referred to the widows of allied ex-servicemen whose husbands died before completing 20 years residence in Canada. Those widows at the present time are not eligible. I hope the length of residence will be reduced in line with the Old Age Security Act from 20 years to 10. I think such a reduction would take care of most of the cases we have raised in the past. But even so, I feel that just as soon as the widow has completed residence in this country for the time necessary to comply with the residential requirements she should be eligible for the widows pension.

Then I am glad that the minister stated that the allowable equity in the home will be raised. He did not say by how much. The Legion have asked that it be raised from $6,000 to $9,000 which, when you consider the great increase in the cost of living and in the value of property today, does not appear to be out of line.

I again congratulate the minister on bringing down this measure. However, on the face of it, it does not appear to me to go anywhere nearly as far as is necessary to reach the objective which he himself has striven to attain time and again. I am hoping he will continue in the cabinet to fight for these things.

Mr. Carter: Mr. Chairman, like those who have already spoken, I welcome the amendments implied in this resolution and which will have the effect of increasing the rates

of war veterans allowance and permissible income and also of extending the provisions of the act to additional classes of veterans, veterans' widows and orphans. I am particularly happy to learn that the scope of the War Veterans' Allowance Act will be extended to include the veterans of world war I who served in the United Kingdom. I am sure this provision will be greatly appreciated by all the veterans in my province who have found the present regulations somewhat distasteful because its result has tended to give the appearance of a classification downwards in the status of their war service.

Prior to confederation all Newfoundland veterans who left the shores of Newfoundland were considered to have overseas service. They were particularly disappointed to learn that they could not be eligible for benefits under this act unless they had served in France. This arbitrary definition of a theatre of war seems to me to be somewhat illogical because since the Atlantic ocean itself was a theatre of war it was impossible for soldiers to be transported across that ocean in ships without serving in a theatre of war. This fact was vividly impressed upon me personally when the convoy in which I was being transported was chased by submarines.

Furthermore, navy veterans who served in the Atlantic retained their eligibility. It has always seemed to me to be a bit absurd to maintain that a naval man while crossing the Atlantic served in a theatre of war but that a soldier who crossed the Atlantic did not. This regulation which limited the theatre of war to continental Europe is also extremely unfair and unjust for the simple reason that no soldier has any control over his movements. He has no choice as to his sphere of service; he must obey orders. He must go where he is told to go and must stay where he is put. As the hon. member for Acadia has just pointed out, many veterans were kept in Britain by the order of their superior officers because, in their judgment, that was where their particular services were most needed. It seems to be extremely unfair to penalize a veteran for obeying orders which are designed to enable him to serve his country with maximum efficiency and effectiveness.

This arbitrary definition which says that the east side of the English channel, is a theatre of war but the west side is not has resulted in some paradoxical rulings. For example, a veteran who crossed the English channel to play on a football team would acquire eligibility merely by crossing the channel and landing on the coast of France while his comrades in Britain who were not so fortunate would not do so. Also it was possible for a veteran to cross the channel, land on the coast of France, go out and get drunk, break his leg, get shipped back to England the next day but he would have acquired eligibility for war veterans allowances. It should be remembered that in the last phase of the war the front line was some distance from the coast of France and that the only difference between the veteran who crossed the channel and the one who stayed in England was that the former was about 20 miles nearer to the front line.

I note that the minister's statement yesterday indicated that a minimum period of service in the United Kingdom will still be required before world war I veterans can attain eligibility. For the reasons that I have just outlined, I urge him to remove this restriction completely and to extend eligibility to all veterans who left the shores of Canada. The ranks of world war I veterans are thinning fast. Every year more and more answer the final roll call. The number is rapidly diminishing. Consequently the recurring charge on the federal treasury for this group of veterans is one that will get smaller year by year.

I also urge the minister to extend eligibility to members of the merchant navy and to members of the rescue tug service. The role of the merchant navy I think was notably dramatized by the glorious exploits of the *Jervis Bay*. In my own particular riding the casualties in the merchant navy outnumbered those in other services and in some cases were greater than those in all other services combined. In one little community in my riding, with less than 1,000 population, 14 men made the supreme sacrifice in the merchant marine. Many of those men in the merchant navy were torpedoed more than once and spent hours and hours floating around in the water and drifting around the ocean in very small boats.

I know that the argument has been used in the past that the merchant navy received extra pay which was somewhat greater than the scale of pay granted to the armed services. In this respect I would like to point out that the members of the armed forces received war service gratuities and rehabilitation credits which the merchant navy did not get. These benefits in a very great measure compensate for the extra pay of the merchant navy; it puts them on a more equal footing and in my opinion strengthens the case of the merchant navy for their entitlement to war veterans allowances.

For the reasons which I have just mentioned and in recognition of the vital service performed by the merchant navy I urge

the minister to broaden the scope of this legislation so that its benefits may be extended to those persons who served in the merchant marine.

There are one or two other points about the veterans allowance which I would like to bring to the attention of the minister. The present War Veterans' Allowance Act regulations compel automatic suspension of war veterans allowance whenever a veteran is released from a T.B. sanatorium or from a mental institution. This works a very definite hardship because it means that in many cases the veteran is forced to return home with no adequate provision for food or fuel. I urge the minister to change this regulation so that the war veterans allowance can be continued for at least 30 days after discharge from these institutions.

This would provide sufficient time to allow the district authority to review the case and decide whether or not the allowance should be continued indefinitely.

I have a considerable number of veterans in my riding who need the benefits under the War Veteran's Allowance Act but they are not eligible because they are under 60. They do not receive a disability pension and their present ailments are ruled not attributable to war service. I think veterans all over Canada feel that awards of this nature should be based mainly on the two factors of need and service.

I do not think any veteran feels it is right that any veteran should have to depend on charity. In a good many cases veterans have come before the allowance board and their applications have not been successful because the veteran has been ruled to be not permanently unemployable. Well, in a province like mine and particularly in a riding like my own that term "permanently unemployable" is a relative one because the veteran in most cases is a fisherman. If his physical condition prevents him from fishing or working in the woods and mines then there is nothing else he can do. It is true that should he live in a city or move to a city, he might be able to get a job as a night watchman or run an elevator but there seems to be very little opportunity for assistance of this nature. Therefore I would like to see some relaxation in that particular regulation so that the district authority would have discretion to consider each case on its merits and make an award without being restricted by this requirement of having to be permanently unemployable.

In conclusion I would like to join with all those who have suggested that this legislation be referred to a committee on veterans affairs. As the hon. member for Rosthern pointed out last night, that is the grand old tradition that has been established throughout the years in this parliament. We have always endeavoured to deal with veterans legislation on a non-party basis and I am sure the veterans throughout Canada would wish to have this tradition continued.

Mr. Nicholson: I was disappointed that the minister was not able to give us more detail last night. He mentioned that it would not be appropriate at this stage to give us full details but that indicates he has some bad news for us when he presents the bill. His colleague the Minister of National Health and Welfare did give us a great deal of detail in connection with the resolutions of which we have disposed.

Like all the others who have spoken I am very glad this resolution is before the house. I have the honour to represent in parliament a great many veterans of world war I and world war II. Some of the names of communities in my riding will indicate this: for example, Blighty, Somme, Veterans, Souchey which were communities that existed because world war I veterans went to northern Saskatchewan where it was possible to get some free land and to receive some assistance and encouragement from the veterans department of that day.

Some hon. members who were here in the forties will recall a delegation of those old veterans who came to Ottawa to present some of their problems. They were able to point out that if they were to travel across Canada to tell the true story of their hardships they would not be a very effective recruiting committee. I think the minister is going to need the fullest co-operation of every member of this house to get from the cabinet the sort of support which he must have if we are to discharge our responsibility to the veterans of the two world wars. I mentioned that a great many of these veterans went to the frontier.

I should like hon. members to contrast the position of those veterans who are looking toward this legislation with some hope, with the treatment which this government provides for others. I find the Minister of National Defence considers he should have one dentist for every 750 men in the armed services; one dentist per 1,000 is usually considered to be a fairly reasonable proportion in the country. In fact, one dentist per 2,000 of the population can provide quite adequate service. But veterans in my riding are now living where there is not a single dentist in an area in which 45,000 people reside. A great many of these veterans on

the frontier find it difficult to get away to the city, make an appointment, receive dental treatment and pay the bill.

When one considers that the Minister of National Defence finds no trouble in getting $200 million to develop a new type of aircraft it is hard to understand why we are so niggardly with regard to the Minister of Veterans Affairs when he tries to meet his obligations. If a young man decides to join the air force in 1957 the Minister of National Defence is quite prepared to find $60,000 for the training necessary to enable him to fly a jet plane, and a nation which can spend $60,000 on training a man for military service can do something better than it has in the direction I have suggested.

The minister pays some pensions which are quite attractive. I notice the highest pension he pays amounts to $1,021 per month. Of course, one would have to be a general to qualify for that, and, unfortunately, everyone who joins the army cannot become a general. The pension paid to generals is of course not quite as generous as the highest the Minister of Justice provides in his department, $1,041 per month, but it would seem to me that the Minister of Veterans Affairs should be able to convince other members of the cabinet that a rich country such as ours can provide the wherewithal to do something more generous than it is doing now. I think one of the reasons why the previous government was defeated was its failure to recognize its responsibility for those who joined the armed services in the two world wars. Those who came back found that people did not honour the commitments which were given to them on enlistment.

Immediately after the election, the former minister of finance felt that before leaving office he should do something for the civil servants of Canada in order to enable them to meet the problem of inflation. That is a very real problem, but unfortunately many of the veterans are unable to cope with it in any way. I noted three of the civil service classifications mentioned in the newspapers at that time. Similar increases were provided all along the line in the civil service. In class 6, salaries were increased from $5,460 to $6,300, that is, an increase of $75 a month. In class 7 there was an increase from $5,700 to $6,870, an increase of $90 a month. In class 8 there was an increase from $7,000 to $8,300, or over $100 a month. The Minister of Finance authorized these increases because of a very real and disturbing Canadian problem, the problem of inflation, and I think the Minister of Veterans Affairs should be taking this fact into consideration and, if this bill is not yet in its final form, or if it is not disposed of today, I hope he will be able to convince his colleagues that something better should be done, something, perhaps, which he had in mind but which he did not care to put down in the resolution or state last night. I think no one in this house is better informed than he is with regard to the representations made by Legion organizations across Canada. Ever since I came to parliament in 1940 the minister has been one of the most dependable members of parliament in coming to the defence of veterans.

I noticed in the February copy of *The Legionary* that there is a good article headed: "Write to your M.P. now". I presume the suggestion was that people should write before the election in order that candidates seeking office would be made aware of the fact that a great many who offered their lives in the service of their country in world war I and world war II did not enjoy the security promised to them. This article, written by Robert Macnicol, British Columbia member of the executive council, deserves careful reading. The author refers to an article which was carried in a well known Liberal publication, the Toronto *Star Weekly*, which says:

> The answer is that not all Canadians share our national abundance. A sad contradiction in our prosperity is the fact that good times mean, not a higher, but a lower standard of living for many. Surely, in a land of plenty, in a country teeming with prosperity, our senior citizens, our recipients of mothers' allowances and others dependent on government pensions, should get more consideration. In the new year, let us resolve to find new ways of sharing our country's bounty by attending to these and similar problems. In this way we can transform "prosperity" from a national slogan to a real and meaningful way of life for all Canadians.

Then Mr. Macnicol has a very interesting section on war veterans allowances. He mentions that war veterans allowances present a complex problem, and goes on to say:

> This is not a pension by right, but an allowance paid on a "means test" basis. Needless to say, and with some reason, many decent, thrifty veterans abhor this means test, although in all fairness it ought to be stated that the vast majority of departmental investigators carry out their duties with sympathy and discretion.

I am sure there are a great many people alive in Canada who have seen service in the first world war, and it is my belief that a rich country such as ours could afford to do something better for them than it is doing at present. I have been in touch with the minister in connection with two of my veterans, Bob Morden and Bob McKeith and the minister has been giving sympathetic consideration to my correspondence. These are men whose injuries date back, in one case to 1916 and in the other to 1917. In one case it was possible to find the doctor who examined the veteran 40 years ago and that

doctor is of the opinion that the condition which is now affecting this veteran could have resulted from his war service.

Unfortunately there is nothing in the records to indicate that the condition is the result of war service.

In the other case the injury was not considered serious at the time but I am convinced that if either or both these veterans decided 40 years ago they were going to be a drag on society and never do another day's work they could have qualified for pensions. Both of them have been outstanding citizens in their respective communities. In good times and ill times they have been as successful as any people in the community and after 40 years they would not be considering appealing for consideration if it were not for the fact that extremely difficult conditions have arisen making what appeared to be a secure old age a life of uncertainty. After the lapse of 40 years between their service it is not easy for these proud Canadians to get down on their knees and beg for a little larger crust of bread.

I urge the minister to have another look at the speech he made in this house on July 6, 1956. I am sorry that time does not permit me to quote from it at length. At that time the hon. member for Royal, now the Minister of Veterans Affairs, made an excellent speech and outlined an exceptionally good case for the veterans.

The present Minister of Public Works made a moving speech reported at page 5866 of *Hansard* of July 11, 1956 in which he said:

> Actually there is a great need today for an attack on the problems of the veteran and his dependents with renewed vigour. Yet that has not been done.

I am sure that after listening to his colleague last night the Minister of Public Works, if he were speaking freely, would again repeat that there is a great need today for an attack on the problems of the veteran and his dependents.

The Minister of Veterans Affairs did not tell us what is going to be done about permissive income but on July 11, 1956, as reported at page 5867 of *Hansard*, the Minister of Public Works said:

> If that ceiling were raised from $840 per year to $1,200 per year for the single veteran, and from $1,440 per year to $2,000 per year for the married veteran, as requested year in and year out by the great veterans organizations of this country, then that situation to which I have referred would be met.

Perhaps the Minister of Veterans Affairs is going to tell us that these are the ceilings that will be established when the bill is brought down but I fear the fact he did not mention it last night indicates that he has bad news for the veterans. I suggest that he read the speech delivered on July 11, 1956 by his colleague the Minister of Trade and Commerce as reported at page 5872 of *Hansard* and he should also make sure he reads the speech delivered by the Prime Minister as found at page 5897 of *Hansard* of July 12. At that time the Prime Minister said:

> I should now like to say a word or two with reference to a matter that has been discussed on previous occasions, namely, war veterans allowances. As the situation is at the present time, the ceiling on income for single veterans is $840 and for married veterans $1,440. I find it hard to understand why the amount should not be increased to the level of that amount which, under the Income Tax Act, becomes exempt from income taxation. This question has been asked the minister before: where is the sense of fairness in this situation? Everyone is entitled to the old age pension, whether it is the Prime Minister who receives it or somebody else. Every citizen in our country is entitled to it at 70 years of age. Why should those in receipt of war veterans allowance find the amount of their old age pensions in effect reduced on the achievement of the age of 70 years? That is something that one hears universally complained about. It is something that is unjust for, by reason of the present ceilings, it places those who served and their dependents in a second class position with respect to others who did not serve. It brings about a state of affairs that is unfair and unjust and it constitutes a discrimination that cannot be justified. I ask the minister once more—as he has been asked on previous occasions—this question: Why should such a state of affairs be permitted to continue?

Now that the minister has had these words of the Prime Minister brought to his attention I am sure he will make an effort to ensure that nothing less than what was suggested by his colleagues in July of 1956 will be provided in this legislation.

Mr. Henderson: Mr. Chairman, I would like to take this opportunity to congratulate the Minister of Veterans Affairs on his appointment to the post he now holds. I might say that his amiable and co-operative conduct in the past will probably make it much easier for him to obtain the support of his colleagues in this house in his effort to do a good job for the veterans of Canada. I would also like to say to him that he has been most fortunate and in these words I would like to congratulate him on the staff which he has inherited. I am sure it is the opinion of all Canadians that in his staff he has inherited a great wealth of experience and a high degree of industry and integrity.

It is perhaps fitting that the minister should bring this resolution before the house so close to Remembrance Day which falls on November 11. It cannot go unnoticed today that many of our colleagues in this house are wearing poppies in remembrance of those

who paid the supreme sacrifice and in remembrance of the many military engagements in which the veterans of Canada took part in the past.

I am sure the minister in bringing this legislation before us at this time had in mind the season of the year and the fact that our thoughts turn to those who served knowing that this might also be conducive to his encouraging his colleagues to loosen the purse strings in order to benefit our veterans.

While I welcome and support this legislation as a veteran, a Canadian citizen and a member of this house I would urge upon the minister, as previous speakers have done, that if he cannot go so far at this time as to establish a standing committee on veterans affairs he should at least refer the legislation to a special committee on veterans affairs. I know I am supported in this sugestion by the minister himself in his previous speeches inside and outside this house. We cannot forget that a committee on veterans affairs is the proper forum to which the various veterans organizations can go to present to the members of that committee their suggestions as to improvements in veterans legislation on behalf of those whom they represent.

If this legislation were referred to a committee we might be then able to determine if the minister has made adequate allowance in the legislation for the veteran who has a small pension but who might be incapacitated to such a degree that he is rendered unemployable. We could also learn if he has made provision for the veteran over 70 years of age who may find himself receiving war veterans allowance but who is associated with men in his own neighbourhood who are over 70 and who, although they may have an income of thousands of dollars per year, are still receiving the $55 per month old age pension.

I know that the minister is in favour of the establishment of a special committee on veterans affairs because when the extension of the war veterans allowance was being discussed in this house in 1955 the minister expressed himself as being most anxious to have a special committee on veterans affairs established. As a matter of fact the minister praised the veterans as reported at page 1735 of *Hansard*, 1955, volume II. He said:

> I have confidence that when Bill No. 164 comes from the committee it will not be in the same state.

I would suggest to him that the same confidence should exist today, and possibly the bill which he has forecast by this resolution might not come back from the committee in the same state. I notice that on the resolution the minister stated that this resolution forecasts legislation which is intended to and which will help a most deserving group of citizens. I might say that possibly if we have a special committee on veterans affairs now the minister might also find from representations made before that committee—if there is a public hearing—that he might be inclined to increase the pensions to the disabled, who are also a most deserving group of citizens. I just leave this thought with the minister and I know he will take it under very serious advisement.

Mr. McIvor: Mr. Chairman, I have just one question to bring before the minister, but before I do so may I say I am just happy to look at him in his new position. He looks capable and he looks willing and I expect he will prove both by results. He is now in the position where he can get things done according to what he thinks is right, and if he does what he suggested ought to be done when he was on this side of the house he will be the best minister of veterans affairs who has ever sat on that side, but I doubt it. Any man who has been overseas knows what the veterans went through, knows how they risked their lives and wondered sometimes whether they would ever be spared to come out of the trenches.

For the past four years, usually twice a year, Mr. Chairman, I have advocated one thing for the veterans because I think if you want to get something done you should not have too many things on your list. You should have one thing and try to do it well. I have advocated that a veteran who spent two, three or four years in active warfare has a right to have his old age pension at 60 without a means test. On many occasions I have given examples. One especially I will give again.

A man had four Christmas dinners in the trenches in the first war. The minister will know that when he was eating his dinner in the trenches there were lots of flies and those flies were just as hungry as he was. Just imagine a person having wet feet and wet clothing eating his Christmas dinner. Any doctor will tell you that that takes years off a person's life.

Another man was asked to go out into the trenches and it was known that this trench had a considerable amount of water in it. There was no dry place in it. He was supposed to go for two days; he was there for 31 days. When he came back he had to go into hospital. You cannot tell me that that does not take years off a person's life.

Look at the number of aged veterans who have gone to their great reward. How many of them attained the age of 70? I know one

man in Fort William who is a little over 60 and he could not sprint with me 100 yards, much less carry out some other tests, because of what he left behind in the trenches in France. I would appeal with all the might that I have to the minister to consider this question and grant this man a pension at 60 without a means test. He might make it 65 but I like 60 far better.

I said that these veterans are growing fewer all the time. As I said, how many of them ever attain the age of 70? They have left in France something that they could not bring back with them and we are proud of them. I again appeal to the minister, as I have appealed to the former ministers, to grant this request and I shall thank him in advance.

Mr. Macdonald (Kings): Mr. Chairman, in rising for the first time in this house to speak on this resolution I am conscious of two things in particular. Firstly, that I enter on my duties here with a deep sense of humility, with the highest respect for this house and an earnest desire to do the best possible job as the representative of my constituency of Kings of the province of Prince Edward Island, and of this great country of Canada. I think, too, of my late father who at one time sat just two seats in front of this one as a privy councillor and of the high example of public service he set for me here and in the other house.

Secondly, Mr. Chairman, I am most pleased that my first effort on the floor should be in the field of veterans affairs. In my two years of hospitalization after Normandy there was plenty of time to think, to mingle with the "old sweats" of the first war, to discuss the problems of veterans, their widows and their dependents. Long before being discharged I had decided that my prime interest would be to work in the cause of the ex-servicemen, the ex-servicewomen and their dependents. Since returning to civilan life I have pursued that purpose zealously at the sacrifice of very considerable time and expense. For this I have received tremendous personal satisfaction in being able to do many things for veterans, not as much as I would have hoped sometimes, and I have been amply rewarded with their confidence by being unanimously selected for the key position in their organization in my province, to the highest one of being representative on their dominion council, which position I have held for a number of years.

May I now congratulate the Minister of Veterans Affairs on his being selected for that important office. We all know the hon. member's exceptional interest and experience in the problems of the ex-servicemen, his splendid record of service in two wars and the high regard in which he is held in this house. In his department he is fortunate in being most capably assisted by the young member for Brandon-Souris.

It was a matter of great interest to veterans generally, Mr. Chairman, when our present Prime Minister became the first from the ranks of the veterans. It may be noted in passing that two of our leaders, the late Hon. Dr. Manion and the Hon. George Drew were in that category and had done very good work on behalf of the ex-servicemen.

When the Prime Minister first announced his cabinet the fact that no fewer than 12 of the 16 appointed were veterans was noted. There is no doubt that the affairs of the veterans will receive very earnest consideration from this government. I might add that I think this government has an unusually large quota of war veterans among its members and I feel that we shall all, regardless of party, have a very great interest in the problems of the ex-servicemen. As long as there are veterans there will always be problems to solve and I know that we shall all always give special regard to this important section of the Canadian people.

In this regard I should like to pay tribute here to the wonderful work done by the organization set up by the veterans themselves, the Canadian Legion of the British Empire Service League. This great society, dedicated to the welfare of veterans, has done an outstanding job in rendering assistance in framing veterans legislation and in looking after their problems generally. The work done in this regard by the officers of the Legion and their members all across Canada—and throughout the United States has been tremendous. The gratuitous effort by so many is worthy of the highest commendation of the Canadian people and I believe it is receiving the recognition it deserves.

With regard to the proposed changes in the war veterans allowance regulations, earlier this year a change was made to increase the married rate bringing it up to double that provided for a single recipient. While I feel, speaking from practical experience, that two cannot live as cheaply as one, I have had a number of complaints from single veterans that their amount should have been raised as their costs are understandably higher in proportion than those of the married veteran. I do hope that consideration will be given to the request of this class of recipients under the War Veterans' Allowance Act.

As far as permissible earnings ceilings are concerned, I believe they too should be raised. This would allow some recipients to earn a limited amount of extra money on their own and also allow more to qualify under the act. If these ceilings could be raised even somewhat from what they are it would be helpful to a goodly number of our veterans.

Another class of veterans deserving consideration are those who had service in England only in Word War I. We all know that for the purpose of war veterans allowance veterans of World War II who served in England are considered as having served in a theatre of war. To go into the history of this legislation briefly, it was established for the purpose of looking after those who were "pre-aged" due to the hardships and dangers of the trenches in Word War I. This legislation in general was broadened to include World War II veterans after that war who, in accordance with a means test, could be declared "permanently unemployable" due to health reasons, even if they had served only in England unless, of course, they were in receipt of a disability pension.

This seemed to place the World War I veteran in an unfair position and I may say in that regard that in my experience the veterans of World War II have been more sympathetic than those of world war I in discussions of the matter among veterans groups. The reason for this was that the first war veterans felt that a large number of men came to England near the end of the first conflict, some of them not of their own accord, and that they should not expect assistance as they were in the army a relatively short time and did not undergo the hardships of trench warfare which I have mentioned previously.

The recommendation that this class of veterans be looked after under the War Veterans' Allowance Act has been made by the Legion for the past number of years. Last year their recommendation included the qualification that there should have been at least one year of service in England. This should overcome the resistance by some veterans and allow a fairly large and deserving group to qualify under the War Veterans' Allowance Act.

I note that these resolutions contain many other recommendations, the details of which are not yet available. We all realize that the legislation now being proposed, as in the case of other types of legislation which has been receiving the consideration of this 23rd Parliament, is of an emergency nature and not expected to cover all the problems. At the next session it will be possible to consider the requirements in greater detail and in the committee on veterans affairs. I hope that more and more progress will be made in solving the ever-pressing problem of the veteran and his dependents. I hope, Mr. Chairman, this resolution will receive the unanimous support of the house.

Mr. Cameron: Mr. Chairman, as a relic of the first world war I must confess that when I hear hon. members speaking in the vein that the hon. member for Burin-Burgeo and the hon. member for Fort William spoke this afternoon I rather feel that the man with the scythe is creeping up behind me. But, of course, they are perfectly right. We are dropping off at a very quick rate each year and will be doing so at an accelerated rate in the future.

I think that is really one of the major arguments against any opposition, if there is opposition, to increasing the permissible earnings ceilings of war veterans. In my constituency we have a great many war veterans and quite a number on the war veterans allowance. Because of climatic reasons these people go there to live and the problem is brought very forcibly to our attention. There are a number of great hardships at work due to the present rather low levels of permissible income. Many of these men are unable to hold even comparatively ill-paid jobs if they are going to hold them all year round. I have known of instances of men who had to arrange to be laid off for a certain length of time in order not to exceed the permissible income.

Another factor that I think we should consider is that the money incomes that people are getting today are in purchasing power very much lower than that same number of dollars was ten or fifteen years ago. Therefore we should at least try to be as generous as we have been in the past, which we will not be unless we are prepared to take into account the depreciation of the dollar. Of course, as I say, I do not know if there is going to be any opposition to this one point, and like the hon. member for Fort William I think one should concentrate on one point. To my mind the most important of the demands of the Canadian Legion and the one that affects most veterans is the raising of the level of permissible income.

I had hoped that there would be no question, since the events of last June, that when the act was amended it would be amended in line with the demands of the Canadian Legion. Last night I was a bit disturbed, in the same way that the hon. member for Acadia was, by the interjection of the minister which suggested that he and his colleagues were not accepting the levels suggested by the Canadian Legion as the proper

levels. If that is so, I would hope that the members of the present government would perhaps do what my colleague, the hon. member for Kootenay West, apparently has been doing and consult the records of *Hansard* for previous years. For instance, I hope that the present Minister of Trade and Commerce will consult *Hansard* of March 7, 1955 in which he will find these words included in a very moving speech he made on that occasion with regard to the position of veterans. He makes reference to the then minister's remarks and says, as found at page 1769 of *Hansard*:

> The minister's remarks the other day I thought were cold, unsympathetic, confusing and unconvincing. He attempted to equate the ceilings of war veterans allowance with the rates for disability pensions. What purpose this procedure served I am at a loss to know. He then went on to estimate the additional cost to the treasury if the ceilings were placed at $1,200 and $2,000. He estimated that these would open the way to placing 14,750 new applicants on the rolls and would increase the cost by $13 million over and above the present proposed increase.

Here is a place, Mr. Chairman, where I think the present ministers should give their attention because the present Minister of Trade and Commerce on that occasion went on in this vein:

> This is a familiar dodge practised by some cabinet ministers. We are supposed to accept these statements as gospel truth. No detailed analysis was given by the minister. All that was given was just a bland assurance that this would be the result and that consequently there was no further argument. I hope that the committee will pursue this matter and get a detailed breakdown of these figures.

In connection with that, Mr. Chairman, I want to support the suggestion made by a speaker earlier this afternoon that a standing committee on veterans affairs should be appointed because I notice that among other eminent members of the present cabinet the Minister of Public Works very flatly and plainly came out and stated that when his party became the government they would immediately establish a standing committee on veterans affairs. I hope that is going to be done.

Then perhaps we could get away from these rather vague estimates of what the increased cost would be if we raised the permissible allowance to $1,200 and $2,000. I am not going on the assumption that there may be some opposition to the Legion's position in this regard. We have not yet been told definitely whether that is so, although I would think that the present government would hardly throw aside the Legion's representations when the present Prime Minister had this to say in 1955, as set out at page 2592 of *Hansard* of March 31, 1955:

> Mr. Chairman, the veterans of this country would be interested if they were here this evening in hearing the applause by Liberal members when it was indicated that the government does not intend to act upon the recommendations and suggestions of the Canadian Legion and the national council of veterans. If they were here tonight they would be interested in hearing the applause that greeted the words of the hon. gentleman as he spoke rather disparagingly of the fight which we in the opposition have put up on behalf, not of something ephemeral and fantastic but of something that is asked for, and reasonably asked for, by the Canadian Legion and the National Council of Veterans Organizations.

I would suggest that the members of the Canadian Legion will be equally interested to know what the position of the new government is going to be with regard to these requests. I share their interest. I trust that the action of the government will not lead us who are still in opposition after the events of last June to remember the old proverb, "Plus ça change, plus c'est la même chose".

Mr. Blackmore: Mr. Chairman, I have listened with interest to the discussion which has gone on concerning the proposals which the present minister is making. As the hon. member for Acadia has pointed out, we in our group are glad to welcome those suggestions but we are extremely conscious of the deficiencies which are still to be found in considerable number in the whole scheme of things under which we seek to take care of our veterans.

I can well remember when world war II began to develop hearing ministers representing the Liberal party say on the floor of the house, "We shall so manage the affairs of this war that no one shall be any worse off because he went overseas and no one shall be any better off because he remained at home". In the light of the almost ghastly picture which has been painted, even here this afternoon, that statement was almost full of sound and fury, signifying nothing. Although many things were done by the Liberal administration for the soldiers of world war II, nevertheless many things were left undone.

I remember, and will always do so, one experience I had with a friend in my constituency whose home I occasionally visit. This man loved to keep chickens. He was a chicken fancier. He was able to produce eggs successfully. He was a successful gardener. I went to his home one time and he said to me, "You know, Mr. Blackmore, I have got to sell all my chickens and plow up my garden because they have been around to see me and they are going to cut off my

pension because of my chickens and my garden". He was a man who had risked his life and lost his health in the struggle for his country. Yet his country was so mean and niggardly that it could not even let him raise chickens and have a garden without penalizing him by a deduction or a threatened deduction from his war veteran allowance. Probably no more needs to be said.

I am told by the hon. member for Acadia of one experience he had while he was overseas. Hon. members no doubt know that the hon. member for Acadia had a distinguished career in the army as he has had in this parliament. He told me that one time after a hard day they were visited behind the lines by Mr. Arthur Meighen, about whom we all know. Mr. Meighen warmed up to the occasion and said, "Now, men, when you get home your country will assure you that you will never lack for anything". Nothing more needs to be said.

Mr. Chairman, I hope that before very long we shall have removed many of the painful and rankling inequities or injustices which now fill our whole scheme of things in taking care of our veterans.

Mr. Bryce: Mr. Chairman, I want to take only a couple of minutes in order to say that I am in support of this legislation. My colleagues have said most of the things that I would have liked to say. I am glad that we have the present Minister of Veterans Affairs. He was the one man in the new cabinet who I thought fitted into the position better than did anyone else. I have been able to cooperate with the minister for a great number of years. He has supported some of the things I wanted to do for the veterans, and I had the opportunity to support him. I now support him in connection with this bill.

I do not think we should waste any time on this matter. I think it is something of which everybody is in favour. I think we should be careful not to delay it. If we do so, we may find that some minister is going to get mad at somebody one of these days, we are going to be out on the hustings and the veterans are going to have no legislation passed. Do not let us make that mistake. Let us get this legislation passed when we have the opportunity to pass it.

Mr. Winch: Mr. Chairman, I am not going to repeat a great deal of what has been said before in support of this bill because I believe we are all in favour of improvements. However, there is one matter upon which I desire to speak. Through you, Mr. Chairman, I should like to ask the minister if he will introduce an amendment to his own bill. I have never been able to understand why a government should set a definite date as to when love ends. To my own knowledge, I have in Vancouver in my own constituency one person who joined up in 1914, went all through the war, was made a commissioned officer on the field of battle and came out of the war. He joined as a bachelor and he came out as a bachelor. He was not entitled to any pension because of wounds of battle but, because of the rigours of war, he reaches a point where, under the present act, at age 60 he is entitled to a pension. He joins up in 1914, goes through the war and does not until a year ago meet the woman with whom he wants to spend the rest of his life. I imagine that is not for biological reasons but affection and companionship and they then find because they did not marry before a certain month in the spring of 1953 the wife is not entitled to any allowance. Now would the minister tell me how he establishes a date in 1953 as the date when love ends for a veteran of the war of 1914-1918?

Mr. Brooks: I did not do it.

Mr. Winch: Why can a person who is a veteran of the 1914-1918 war if he married before this month in the spring of 1953 draw an allowance for his wife, but, not if he married after that date? I am not being humorous at all; to me this is an extraordinary arrangement. On investigation I find it is not by any regulation. A change is required in this act to say that a veteran could be married after 1953.

Mr. Brooks: I am sorry to interrupt the hon. member but I think he is discussing a section of the Pension Act and so I am sure he will be very pleased with a section which it is proposed to put into the new Pension Act.

Mr. Winch: In the War Veterans' Allowance Act?

Mr. Brooks: No, in the Pension Act.

Mr. Winch: No no, it is the veterans allowance act that we are discussing now. The burned out pension, that is in the veterans allowance act.

Mr. Brooks: That is right, that is the veterans allowance act. Perhaps I have not quite followed the hon. member too closely but I believe the matter he is discussing does come under the Pension Act and I think I can tell the hon. gentleman that an amendment will be introduced which will meet the point he has raised.

Mr. Winch: But it is the same in the veterans allowance act and that is what I am discussing. I have two cases in my own riding where they got married in August,

three months too late, and so the wife is not entitled to any pension. Both acts come under the minister, do they not?

Mr. Brooks: Yes.

Mr. Winch: Well then will the minister make the necessary change so that love does not have to end at a certain date in 1953.

Mr. Brooks: As I am very anxious that love should never end I will look into the matter.

(Translation):

Mr. Deniset: Mr. Chairman, may I add a few words in connection with this discussion? I shall do so in French, because I want to stress the fact that, of course, the large family of veterans comprises Canadians speaking one or both of our official languages. If I had a gift for the tongues, I would also add a few words in several other languages, out of regard for those of other origins who are nevertheless Canadian veterans.

I want to greet the veterans and I really think there is no better opportunity to do so than now, when Armistice day or rather Remembrance day is near and when we shall be called upon to lay wreaths of flowers on cenotaphs and memorials to our dead brothers.

I am happy to say, Mr. Chairman, that the resolution before us augurs well for the future.

I am also pleased about the non-partisan position of hon. members with regard to our veterans. This attitude confirms our national unity which was welded on the battlefields, and which, I hope, will endure forever.

Mr. English: Mr. Chairman, I have the honour to represent here the beautiful constituency of Gaspe which, considering its population, is among those that gave the greatest number of soldiers to the country. Gaspesians are not slow to answer the call of duty. Those brave people were not afraid to leave their homes, relatives and even their children to defend our country, our democracy.

Many of those valiant men died on the battlefields and we shall have a thought for them next Monday.

Many of those veterans came back, and they had every reason to expect special consideration on the part of the government. However, Mr. Chairman, such consideration was not always commensurate to the courage they displayed on the battlefields. I wish to congratulate and thank the hon. Minister of Veterans Affairs (Mr. Brooks), as well as the government for the special consideration they are now giving these veterans in the course of this first session.

However, in my constituency there is a rather peculiar situation, one which indeed appears really strange to me. A large number of ex-servicemen who were classed A-1 on enlistment have returned in no condition to do any further military service. However, when they apply for a pension they are told simply that the disability they have is a pre-enlistment condition. That seems to me to be an extraordinary situation. If these people were classed A-1, it would seem that after enlistment they should draw a pension worthy of the gallantry with which they served on the battlefield.

I have seen even more than that in my constituency. I must say that I have always paid particular attention to Gaspe ex-servicemen. There is one case which I would like to refer to especially. The man in question is aged 64, served during the last war and was captured in Hong Kong. As he is now ailing, he asked to be treated at the Veterans' Hospital in Quebec. He had to travel a distance of 500 miles and then pay for the treatment which he thought he was entitled to receive free of charge. Had he thought for one moment that he would have to pay for his hospital care, I am sure he would have gone to a Gaspe hospital.

What happened? At the time he was receiving a monthly pension of $22.90. His hospitalization bill amounted to $182, and each month the authorities deduct $20 from his pension and send him the balance of $2.90.

Well, Mr. Chairman, this is a situation which the government should correct. So I say that if the government wants to give special consideration to Gaspe veterans, it must first of all appoint officials who will look after them. It should also appoint a pensions advocate for the veterans of the Gaspe constituency, so that they will not have to travel 500 miles to interview the department's advocate at headquarters.

Mr. Chairman, I wanted to bring this situation to the attention of the house and I am confident that, with the good intentions of the government and the beneficial legislation it now proposes, it should find it possible to open an office in the Gaspe constituency where an advocate will be responsible for looking after the veterans of that area.

(*Text*):

Mr. Ricard: Mr. Chairman, I do not wish to take up the time of the committee for very long by speaking about the legislation which is now before us, but I do wish to go on record and thank the Minister of Veterans Affairs for the manner in which questions relating to veterans have been dealt with during the present session. The many letters which I have received from veterans in my constituency justify my standing up and saying a grateful thank-you for what the Minister of Veterans Affairs has done, and also to the government for the manner in which these questions have been dealt with. This is but one of the many items which the Conservative party desires to put forward in the present session, and again I offer my very best thanks to the government and to the Minister of Veterans Affairs.

Mr. Tucker: Is it the intention of the minister to make any statement?

Mr. Brooks: Mr. Chairman, I intend to make a statement on second reading but there are a few remarks I should like to make at the present time. I have taken note of the many points which have been raised by hon. members, and there will be full opportunity given, of course, to debate and to discuss these points later on on second reading.

I would like to take this opportunity, though, of thanking the hon. member for Rosthern, the hon. member for Kootenay West, the hon. member for Acadia and many others who have spoken for the very kind remarks they have made concerning myself. I do not think they are altogether deserved, but I must say that in the many years I have been in this house and discussed veterans affairs in committee and in the chamber it has been a great pleasure for me to have been associated with the hon. members I have mentioned and the others who have spoken. We are all interested in one thing, that is, the benefit of the veterans, and I think it is our intention to do the very best we can for them under the rules and regulations, and under the circumstances as we find them.

The one matter I wish to discuss today has to do with the setting up of a veterans committee. I have been interested in listening to the remarks made by different members on past history. One of the greatest sports in this house over the years has, I find, been the discussion of what hon. members said years ago. I may say I am not in the least embarrassed by anything I have said in the past regarding veterans affairs or regarding the setting up of a committee. I have always been in favour of a permanent committee on veterans affairs being set up in the House of Commons and I am still of the same opinion.

However, Mr. Chairman, I may say that I feel that this is rather a special session, if I may call it such. This session, as has been pointed out by various hon. members at different times, has been more or less a session devoted to dealing with unfinished business, the unfinished business of the last session when the estimates of the house were not dealt with except, I believe, the post office estimates. As a matter of fact these two bills which I am introducing, and other bills which were introduced, indicate that the business of the house was not finished at the last session of parliament. The War Veterans' Allowance Act would have had to be amended this session under any circumstances. Hon. members opposite will recall that a bill was passed called an omnibus bill which provided for increases in old age security, provided for certain changes in the War Veterans' Allowance Act and also for certain changes in the Pension Act. As I said a moment ago, this unfinished business has to be dealt with by us this session.

The two acts which the Department of Veterans Affairs is bringing before the house are not controversial. The subject matter of these bills have been discussed in this house and in the veterans affairs committee on many occasions. There is the question under the War Veterans' Allowance Act of making Great Britain a theatre of war; there is the matter of the imperial veterans; there is the matter of deleting section 8 of the War Veterans' Allowance Act. All these matters have been discussed time and time again in this house and in committee. As far as the proposed pension amendments are concerned, the same applies, as hon. members will see. I would ask them to wait until they get the bill, and I am sure they will agree with me that there is no great reason why the veterans affairs committee should be set up during this session.

I may say, and both the hon. member for Kootenay West and the hon. member for Selkirk have pointed this out, that we are faced with an unusual situation, and it is our feeling that it is most desirable in present conditions to ensure that the additional benefits given to veterans by this bill are made available to them without delay. The social security acts have been passed providing for pensions and allowances for older citizens. It is, I think, quite right that without delay the same benefits should be provided for our war veterans. We all know that to set up a committee takes time; we all know that it is necessary to bring in different organizations from different parts of the country, and this, to my mind, would only delay the passing of this measure and only delay the opportunity

for veterans to receive the benefits which we wish them to have as early as the recipients of benefits under the other acts I have mentioned.

As I said, Mr. Chairman, there is nothing controversial in these two bills. I have spoken to the head of the Canadian Legion and without divulging to the Legion what is in our bills I learned that the Legion is of the opinion that it would be more satisfactory if a permanent committee on veterans affairs were to be set up at the beginning of the next session at which time veterans legislation which might be submitted to it including the Veterans' Land Act, the War Veterans' Allowance Act, the Pension Act and others could be reviewed. The Legion indicated it would much prefer to have a permanent committee established at the beginning of next session and I believe the various veterans organizations across this country are of the same opinion. If this were done there would be no loss of time and, as I said a moment ago, we would not withhold from the veterans for some time the benefits accruing to them under the proposed amendments.

I wish to make it clear that I have not changed my opinion as far as the setting up of a permanent committee on veterans affairs is concerned. I am of the same opinion today as I was when I sat on the other side of the house. However, I do not think any good purpose would be served by setting up a committee at this time and, as a matter of fact, I think it would be to the detriment of the veteran.

I am satisfied that when hon. members opposite see the bills which are to be presented containing the amendments to the War Veterans' Allowance Act and the Pension Act they will agree with me in this respect. I hope every effort will be made by all hon. members of the house to expedite this legislation as quickly as possible.

I do not say this in a critical manner but it does seem rather strange to me that some of my hon. friends on the government side of the house should say that we should set up a committee to study this legislation.

Mr. Pickersgill: Does the hon. member not mean the opposition?

Mr. Brooks: Yes, I am sorry. I fall into that mistake when I look at some hon. members opposite.

Mr. Marler: It is a habit of long standing.

Mr. Brooks: Yes, that is very true. However, when I think of the fact that the Liberal administration last year put through veterans benefits without amending the acts their criticism of our action appears strange. They did not amend the War Veterans' Allowance Act or the Pension Act. They simply brought in what is known as an omnibus bill and provided for the payment of benefits to veterans on July 1, not by amendments or the introduction of schedules to the acts but by the supplementary estimates.

Mr. Marler: Do you think it made any difference to the recipients?

Mr. Brooks: When I reflect on this it does not seem very becoming on the part of hon. members opposite to suggest something which they did not choose to do. As a matter of fact they did not go anywhere near as far as we are going at the present time. I am not going to labour this point further. As I say, I know it will be greatly to the benefit of veterans for us to put through this legislation as quickly as we can.

Mr. Tucker: Mr. Chairman, the minister has referred to the position taken by the present members of the opposition when they formed the government in regard to matters such as this being referred to a committee and because he has done so I think I should say a word in regard to that.

The attitude taken by the Liberal government last spring was that while there was not time to amend the veterans legislation it was desirable to make some improvement in the position of war veterans and the increases were introduced as part of the estimates. The attitude taken at that time by the official opposition and particularly by the present Prime Minister, who was then in opposition, was a very strong one. He emphasized what he claimed was upholding the rights of parliament. During the subsequent campaign he said he was going to adhere to the stand he had taken without deviation from it and without flinching. One of the reasons for the position he took in attacking the government for not referring these matters to a committee was that by refusing to do this the government was flouting the rights of parliament. The reason I am speaking at this stage, Mr. Chairman, is to ask the Minister of Veterans Affairs to consider what his own leader said in regard to this very matter.

What the present government has to answer for is not what the Liberal government did which was so severely criticized by the present government when in opposition and particularly by the Prime Minister. They went to the people on this ground more than any other and won support and I think they are now honour bound to pay some attention to the basis on which they achieved their support. They should not turn around and say, "We are not going to do it because you

did not do it." Surely to goodness this is not going to be the attitude adopted by the present government toward the promises it made and upon which they presumably got a great deal of support.

Before the minister absolutely closes the door on this question, as already stated, I would like to draw to his attention for consideration what his leader said on April 11 of this year in regard to this very subject. I would ask the minister to bear in mind that his party requested an election as early as possible and if we were to make improvements in veterans legislation such matters had to be disposed of as early as possible—practically at once—or else we could not have had an election on June 10. In spite of the attitude of the opposition of that day that these things should be done for the veteran and an election held without delay, what did the present Prime Minister say at that time? Reading from page 3405 of *Hansard* of April 11, 1957, such a short time ago, we find the present Prime Minister saying:

> There is no adequate opportunity for discussion here. These pension increases deserve an opportunity for full discussion. They should have been placed before committees of the house in order to enable representatives of the people to attend here, give evidence and express their views with regard to the inadequacy of the increases. I say that the attitude taken by the government is a cynical disregard of the parliamentary function of careful and meticulous examination.

I ask the Minister of Veterans Affairs that if the failure of the Liberal administration to refer these matters to a parliamentary committee was in the opinion of his leader, the present Prime Minister of this country, a "cynical disregard of the parliamentary function of careful and meticulous examination", is it any less so on the part of the Conservative government which appealed to the country on that basis and won the support it has and which now adopts the attitude that his leader has so characterized?

I am astonished that within a matter of such a few months following the taking of so strong a stand on this question by the present Prime Minister, the Minister of Veterans Affairs should now get up and adopt the attitude that it is not the government's intention to refer this legislation to a committee and, in the words of the Prime Minister, deny parliament the right of properly examining it because it might mean some delay, for which attitude the previous government was severely criticized. I submit that the referring of this legislation to a committee would not at all delay the time when the veterans would come into receipt of these increased benefits and payments.

As the minister very well knows, if he would move a motion to set up a committee on veterans affairs the setting up of that committee would be facilitated by all parties in the house, and I am sure that the representatives of the veterans and of the various veterans groups would be very glad—they have the situation at their fingertips—to appear on short notice to give their opinion of this legislation and wherein it should be improved.

I submit, Mr. Chairman, it would not delay at all the time that the veterans would get in possession of the benefits they may be getting under this bill. I do submit that if the minister believes what he said in the past, namely that a veterans committee could and did improve measures brought down by the last administration, he should be the first one to see that we have the benefit of the opinion of the veterans in regard to this legislation and to see wherein we could put them in possession of an improved measure to what is proposed here.

I ask the minister at this stage to consider what his own leader said in appealing to the people of Canada, to uphold the sacred rights of parliament and on the basis of which he sought and got support, and that he stand behind his leader at this time and abide by the promises held out to the people of Canada.

Mr. Bell (Saint John-Albert): You have not enough veterans over there to form a committee.

Mr. Brooks: I have nothing further to say except to repeat what I said a moment ago. The hon. member is asking us to set up a committee to consider legislation and I might say that these bills have to do in part with the legislation which was passed this year by the omnibus bill. I suppose if we had had no further legislation at all my hon. friend would have stood up in this house and said we should set up a committee in order to discuss the legislation which is now law and has been passed. As I say, these bills have to do mostly with that, except proposals which have been discussed time and time again in this house. I repeat, I see no good purpose that would be served. I believed it would be to the disadvantage of the veterans.

There is another point, Mr. Chairman. The increases which are being granted under the Old Age Security Act are straight increases from $46 to $55 a month, which means that it is just a matter of changing the amount of money on the cheques. As far as the war veterans allowance is concerned my hon. friend knows as well as I do

that all these cheques are for individual amounts. There is a means test and every case has to be decided on an individual basis. There is a tremendous lot of administrative work. My department is anxious, and we are all anxious, to see that these cheques get to the veterans as soon as possible. I might say that as far as my department is concerned the employees will have to do a tremendous lot of extra work. I also wish to say that they are very anxious and willing to work the extra time, but our particular anxiety today is to see that these benefits are obtained by the veterans as soon as possible.

At the next session we intend to carry out what the Prime Minister and other members of the government said when we were in opposition; we intend to set up a veterans affairs committee to study all phases of veterans legislation which may be submitted to it. I know that the veterans organizations across this country are very anxious that this be done at the next session of parliament. That is the situation, Mr. Chairman. I think it is logical and I think it will appeal to the logical sense of the members of this House of Commons.

Mr. Winch: Mr. Chairman, may I through you ask the minister a question. He said that he conferred with the officers of the Canadian Legion. Did he also confer with the officials of the army and navy? While I am on my feet may I ask this question? Because this is a non-controversial matter will the minister introduce the required amendment to remove the marriage bar on the pension?

Mr. Brooks: I might say, Mr. Chairman, it was not a case of conferring with the head of the Legion. I happened to meet the head of the Legion and some of the higher officials of that organization and I had a discussion with them. They asked me about setting up a permanent committee and I said it was our intention to do it at the next session.

Mr. Winch: Did the minister also confer with the army and navy?

Mr. Brooks: I did not see the army and navy. I have heard indirectly that the army and navy and some other organizations feel exactly the same way about this matter as the Legion does.

Mr. Winch: The minister did not answer my second question. Because of the non-controversial nature of this matter is the minister prepared to introduce an amendment to the bill to wipe out the marriage bar?

Mr. Brooks: I would suggest to the hon. member that he wait for the bill and see what is in it and whether it needs an amendment before we make a decision in that regard.

Mr. Tucker: There is one thing I should like to draw to the minister's attention, namely the various statements by members of his government such as that they are now in an election campaign so that there is a great possibility that there will be no real legislation brought in before they go to the country again, and consequently there would not be a chance for this extended examination of veterans problems that he is now talking about. Either what he has already put out as a hope now that there will be such an investigation may on the one hand be correct —and I am not questioning the minister—or if his colleagues are right it may not be; but I think the people in general will question whether he is speaking with any authority that there is a hope before another election of improving this legislation as it should be improved or whether, judging by what is said by some of his colleagues, we are now in an election campaign. If that is so, what chance will there be of improving this legislation in accordance with the hope held out by the minister?

Mr. Brooks: I might say in answer to my hon. friend that I have never heard any of my colleagues say that they were in an election campaign.

Mr. Tucker: The Solicitor General said it at Toronto last night.

Mr. Brooks: As far as I am concerned I do not know of our being in any election campaign.

Mr. Chevrier: You had better consult your colleagues.

Mr. Lesage: May I ask a question? Last night the Minister of Veterans Affairs said that the bill which would follow this resolution would extend eligibility for an allowance to a veteran of the Canadian forces who during world war I did not reach France but for various reasons stayed in Britain. This would apply for a specific minimum period. What will the period be?

Mr. Brooks: As I said, we are discussing the resolution at the present time. If this resolution passes a bill will be submitted to the house and I shall give the particulars on second reading.

Mr. Lesage: Can we be sure that it will not be announced over the radio before the bill is introduced?

Mr. Brooks: You can be quite sure of that.

Resolution reported and concurred in.

Mr. Brooks thereupon moved for leave to introduce Bill No. 28, to amend the War Veterans' Allowance Act.

Motion agreed to and bill read the first time.

PENSION ACT

AMENDMENTS RESPECTING DEPENDANTS, ETC.

Hon. A. J. Brooks (Minister of Veterans Affairs) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Pension Act to place dependants of persons who served in world war II in a position comparable to that of dependants of persons who served in world war I in cases of disability or death due to improper conduct; to ensure that pensions may be paid to the dependants of deceased members of the forces resident and domiciled in Newfoundland; to provide for the continuation of disability pensions and widows' pensions to the end of the month in which death occurred except in cases where no additional pension for dependants is payable; to provide for the payment of pension to the daughter of a pensioned widower where the domestic establishment is maintained after his death; to provide for an increase in the clothing allowance on account of amputation or use of appliances; to provide for an increase in the allowances for funeral and burial expenses; to remove the limitation on the amount of pension payable to a dependent parent of a deceased pensioner after discontinuance of pension to other dependants; to authorize payment of widows' pensions at current rates upon reinstatement of discontinued pensions; and to remove the limitation on payment of pensions to or in respect of children born after a specified date, or to wives whose marriage to a member of the forces or a pensioner took place after a specified date; such measure to include, in addition, certain consequential and clarifying amendments.

Motion agreed to and the house went into committee, Mr. Courtemanche in the chair.

Mr. Chevrier: Six o'clock.

Some hon. Members: Six o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire what the business of the house is for tomorrow?

Mr. Green: Tomorrow, Mr. Speaker, we shall commence with second reading of the bill to amend the War Veterans' Allowance Act. Then we shall take the resolution concerning the Pension Act which has just been put into committee. Then the resolution in the name of the Minister of Transport having to do with a proposed branch line for the Canadian National Railway Company. We may then also ask to go on with the bill standing in the name of the Minister of Justice to amend the Criminal Code and the resolution standing in his name respecting the Judges Act. Then we shall proceed with the bill in the name of the Minister of Labour. I am not sure that the ones I have just mentioned will be called, but if we run out of other business we shall go on with the debate on the speech from the throne.

Mr. Barnett: Could the minister indicate whether all the items he has mentioned will be dealt with in the order he has mentioned them? Am I correct in understanding that?

Mr. Green: This bill and the resolution in the name of the Minister of Veterans Affairs will be first, and then the resolution in the name of the Minister of Transport. At the moment I cannot give the order for the other measures to which I have referred. I am not even sure that they will be ready tomorrow.

Mr. Chevrier: Could the house get some indication of what is likely to take place on Friday?

Mr. Green: We will have to take the bill to amend the Pension Act in any event. We are going to complete dealing with the two measures standing in the name of the Minister of Veterans Affairs. Once they have been completed we will go back to the throne speech debate, but I am trying to make provision in the event of these veterans affairs measures being completed before the end of a day so that we can then fill in the rest of that day with government business and start the throne speech debate at the beginning of the sitting the next day.

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:

BROADCASTING COMMISSION REPORT—SATELLITE STATIONS

Question No. 33—**Mr. Fisher:**

1. Have any plans been formulated to carry out the royal commission on broadcasting's recommendation that C.B.C. satellite T.V. stations be established for nodal points with a population of 5,000 or more that are beyond the practical bounds of reception for presently-licensed stations?

2. What is the estimated cost of such establishments?

3. Has the government received any requests from any communities for partial help in establishing such transmitters?

4. Has the government offered any technical advice on a gratuitous basis to communities wishing to undertake either their own transmitting station or community antenna?

Answer by: **Hon. G. C. Nowlan (Minister of National Revenue):**

The Canadian Broadcasting Corporation advises as follows in answer to 1 and 2:

1. The corporation has made general studies but has not formulated definite plans.

2. Estimated capital costs run from about $50,000 to $250,000 depending upon the type, power, and location. Annual operating costs are estimated at about $22,000 to $100,000 also depending upon the type, power and location.

3. No.

4. Officers of the Department of Transport and of the C.B.C. have from time to time answered questions raised by parties interested in such matters.

ALL-YEAR SHIPPING POINT, NEW BRUNSWICK

Question No. 81—**Mr. McWilliam:**

1. Has the government given consideration to making the port of Miramichi, New Brunswick, an all-year shipping point for the shipping of base metals, concentrates, iron ore and other consignments from northeast New Brunswick?

2. If so, what is the present status?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. Yes.

2. The department has found that while the Miramichi is an important waterway for the movement of goods in the smaller ocean boats drawing 20 feet, a very significant part of the potential new shipments would call for boats of 27-foot draft. The cost of dredging and maintaining a channel of the necessary depth on the Miramichi would make it an uneconomic proposition at the present time.

HARBOUR PROJECT, CARON POINT, N.B.

Question No. 86—**Mr. Robichaud:**

1. Has the Minister of Public Works received any indications from the Brunswick Mining and Smelting Corporation to the effect that the company is prepared to proceed with its share of the development for the harbour project at Caron point, near Bathurst, New Brunswick?

2. If so, are steps being taken to proceed with this project?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. Yes.

2. Further discussions will be held in the near future.

COAL—ALBERTA PRODUCTION AND IMPORTS

Question No. 90—**Mr. Shaw:**

During each of the calendar years commencing January 1, 1952, what was:

1. The total number of coal mines in operation in Alberta?

2. The total tonnage of coal produced in Alberta?

3. The number of Alberta coal mines which ceased operation?

4. The total tonnage of coal imported into Canada?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

	1952	1953	1954	1955	1956
1.	157	146	136	116	104
2.	7,194,472	5,917,423	4,859,136	4,456,578	4,329,639
3.	18	19	35	16	19
4.	24,932,853	23,265,541	18,579,989	19,742,531	22,613,374

COAL PRODUCTION AND MARKETING, NOVA SCOTIA

Question No. 101—**Mr. MacEachen:**

1. What was the annual production of coal in the province of Nova Scotia, for each year 1950-1956, inclusive?

2. What portion, in percentage terms, of each year's production was marketed in (a) Nova Scotia; (b) Atlantic provinces; (c) Quebec; (d) Ontario; (e) abroad?

3. Of the amount marketed in the province of Nova Scotia, how many tons each year were for (a) domestic consumption; (b) industrial consumption; (c) generation of electrical energy?

4. Of the amount marketed for industrial purposes, how many tons were used in the production of steel in Nova Scotia?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

Questions

—	1950	1951	1952	1953	1954	1955	1956
1.	6,478,405	6,307,629	5,905,265	5,787,026	5,842,896	5,731,026	5,775,025
2. Destination of mine shipments (per cent):							
(*a*) Nova Scotia*.....	53.7	52.5	51.6	49.9	42.3	41.8	42.4
(*b*) Atlantic provinces (excluding Nova Scotia)....	15.7	15.6	16.6	15.0	12.9	12.7	13.0
(*c*) Quebec.....	29.6	31.0	30.8	34.9	44.6	40.5	40.2
(*d*) Ontario.....	0.1	—	—	—	—	—	—
(*e*) Abroad.....	0.9	0.9	1.0	0.2	0.2	5.0	4.4
* Includes coal sold to railways and for bunkering.							
3. (*a*) Sales by retail fuel dealers.....	416,121	390,084	331,237	406,916	246,440	142,588	140,805
(*b*) Used by industrial consumers*.....	1,086,992	1,252,873	1,140,736	1,129,087	894,999	865,811	987,354
(*c*) Used by thermal power plants.....	226,757	256,410	300,671	347,277	359,902	430,095	406,154
* Includes coal charged to coke ovens; does not include coal used by railways.							
4. Used in steel plant operations.....	823,000	913,000	891,000	845,000	601,000	585,000	698,000

HOUSE OF COMMONS

Thursday, November 7, 1957

The house met at 2.30 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, November 7, 1957

Sir:

I have the honour to inform you that the Honourable Patrick Kerwin, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, the 7th November, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,
Lionel Massey,
Secretary to the Governor General

THE MINISTRY

ANNOUNCEMENT OF APPOINTMENT OF PARLIAMENTARY ASSISTANT

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, by leave of the house I should like to table two copies of order in council P.C. 1957-1456, dated November 6, 1957, appointing John B. Hamilton, M.P., parliamentary assistant to the Minister of Citizenship and Immigration.

Mr. Speaker: Has the hon. Prime Minister leave to table these documents?

Some hon. Members: Agreed.

STANDING COMMITTEES

Right Hon. J. G. Diefenbaker (Prime Minister) moved:

That a special committee be appointed to prepare and report, with all convenient speed, lists of members to compose the standing committees of this house under standing order 65, the said committee to be composed of Messrs. Cardiff, Chevrier, Gauthier (Portneuf), Green and Hahn.

Motion agreed to.

POST OFFICE DEPARTMENT

DEVELOPMENTS IN MAIL HANDLING—ANNOUNCEMENT OF INTERNATIONAL MEETING

On the orders of the day:

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, I should like to make a brief statement which I think might be of some interest to the house.

In recent years it has become increasingly apparent that the development of modern methods of handling of mail by most of the world's post office departments has lagged behind similar developments in other fields. A number of countries are now studying this problem and attempting to develop machinery and equipment, particularly in the electronic field, which would be applicable to the peculiarly difficult and complicated problems involved.

The Canadian post office has done considerable work in this respect, as have the two other nations with which we are most closely associated, Great Britain and the United States. While there have been discussions from time to time among our three countries on specific problems of mail handling, there has not been, to date, a comprehensive joint review of all the work being done in each country, nor a concentrated attempt to develop the close co-operation in research and development which could bring the greatest benefits to all concerned.

When the Postmaster General of the United States, Hon. A. E. Summerfield, was in Ottawa this summer I discussed this question with him and suggested that a joint conference among the three nations referred to would be a good idea. He agreed, and informed me that preliminary discussion had already taken place regarding a visit of some representatives of the British post office to Washington this fall to discuss certain United States' developments in mail handling.

Arising from these discussions between Postmaster General Summerfield and myself, I can now inform the house that a team of five senior officials from our Canadian post office, led by the deputy minister, Mr. G. A. Boyle, will begin at Washington on November 12 a series of meetings over a two-week period with similar representations from the United States and British post offices. I shall also be present for the initial stages of the meeting. Following these meetings the group will proceed to Canada where they will study our Canadian methods and the research on equipment we have in process. Early in the new year Canadian officials will visit Great Britain for a personal study of new equipment there, and at that time may spend a brief period on the continent for the same purpose.

It is anticipated that, arising from these discussions and visits, closer co-operation will

arise in the development programs of postal machinery for our three countries, and that the interchange of ideas will enable each nation to concentrate on those areas in which it is farthest advanced and simultaneously benefit from similar progress in other fields by the other nations concerned.

It is also expected that these discussions will ultimately prove of some help to the technical committee of the universal postal union. However, since this committee of 20 nations was set up only in August 1957, it is not expected to have its first meeting for about a year, and there would seem to be substantial advantage to be gained from these immediate discussions of our common problems.

The net result will be a substantial forward move over the next few years in more effective and modern handling of mail in Canada and the other nations concerned.

BUSINESS OF THE HOUSE

BILL NO. 26, FROM THE SENATE—STATEMENT BY MR. SPEAKER

Mr. Speaker: Yesterday a message was received from the Senate informing this house that the Senate had passed the following bill to which the concurrence of this house is desired: Bill No. 26 (Letter J of the Senate) "An act respecting the boundary between the province of Alberta and the Northwest Territories", *Votes and Proceedings* No. 18. This bill should have appeared this morning on the order paper under the heading "First reading of Senate public bills" in accordance with standing order 152.

As you know, private bills receive an automatic first reading under the terms of standing order 103, subsection 2. I am afraid this bill was taken to be a private bill and consequently was not put on the order paper. However, this stage of the bill is not debatable, and I trust that the house will be prepared to proceed with it today by consent. This bill stands in the name of the Minister of Mines and Technical Surveys (Mr. Comtois).

I suggest that after motions have been disposed of the minister give a brief explanation of the circumstances and ask for consent to proceed with first reading. Is it agreeable to the house that this course be followed?

Some hon. Members: Agreed.

Mr. Speaker: I will then call first reading of Senate public bills, Bill No. 26, letter J of the Senate, entitled "An act respecting the boundary between the province of Alberta and the Northwest Territories".

[Mr. Hamilton (Notre Dame de Grace).]

ALBERTA-NORTHWEST TERRITORIES

APPROVAL OF BOUNDARY AS SURVEYED AND MARKED

Hon. Paul Comtois (Minister of Mines and Technical Surveys) moved the first reading of Bill No. 26 (from the Senate), respecting the boundary between the province of Alberta and the Northwest Territories.

Motion agreed to and bill read the first time.

EXTERNAL AFFAIRS

REFERENCE TO RUSSIAN PROPOSAL FOR MEETING OF WORLD LEADERS

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, may I direct a question to the Prime Minister notice of which I have sent him. In view of the anxieties and threats which overshadow the world, will the Prime Minister take the lead in announcing at once Canada's acceptance of the Russian proposal for a meeting of world leaders to agree to the outlawing of war, the ending of the arms race and the establishment of peaceful coexistence between east and west?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, all of us share the anxieties expressed by the hon. member for Rosetown-Biggar, and I think all would agree that nothing should be done at this time in any way to increase tension, and that all of us should devote ourselves earnestly toward a peaceful solution of outstanding problems. This Canada has endeavoured to do, both through the United Nations and in other international forums. Above anything else, no nation today should shut the door in any matter that might offer the prospect of any solution or diminution of tensions internationally.

The Soviet leader, while not making a specific suggestion, did state that he believed there should be a meeting of world leaders. All of us would agree that if there was any possibility that such a meeting would be successful we would not hesitate in declaring immediately that Canada would accept such suggestion. But we must not lose sight of the fact that the proposal must be read in the light of the recent refusal of the U.S.S.R. to participate further in the deliberations of the disarmament commission of the United Nations. That is a circumstance that must be considered everywhere in the world by those who are in authority. We must also bear in mind that summit meetings do not necessarily lower international tension, for all will recall that sense of security,

which turned out to be false security, which was engendered by the Geneva summit meeting.

The Russian proposal must be carefully weighed to ascertain whether it is merely another propaganda move designed to afford the U.S.S.R. a temporary advantage in the forum of public opinion. On the other hand, we must not lose sight of the fact that everything that can be done should be done, and if it is believed that such a proposal possesses sincerity, then the preparation for and the conduct of the meeting should be such as to ensure beneficial results.

You will recall that, following the visit of Prime Minister Macmillan to Washington and after consultation with the various NATO partners, a decision was taken to hold a meeting of heads of state and prime ministers from the various NATO countries. And, as has already been said, believing in the possibilities inherent in this meeting, I have decided to head the Canadian delegation. At the time of that meeting, jointly with our NATO allies, and bearing in mind the interests of other friendly powers, I think all should be prepared to consider the problem of another summit meeting. But it would be premature, in my view, and unrealistic at this stage for the Canadian government to announce its acceptance of the proposal in the form in which it was made.

Hon. Paul Martin (Essex East): May I ask the Prime Minister this question. Was there a proposal made directly by the Soviet union to the government of Canada?

Mr. Diefenbaker: Mr. Speaker, the only proposal—and that is why I referred to its nebulous nature—was that contained in the speech of Khrushchev yesterday.

Mr. Coldwell: I noticed a comment has been made on that in London by foreign office officials.

[*Later:*]

Mr. Solon E. Low (Peace River): Mr. Speaker, I would like to ask a question of the Prime Minister growing out of his announcement today that he would lead the Canadian delegation to NATO. May I just say I am glad to hear that announcement, and I think it is very proper; but will the Prime Minister upon his return from Paris make a report to the Canadian people over radio and television upon the proposals and the facts of the world situation? Lacking those facts now, and beset on all sides by sensational headlines, I am quite certain there is widespread anxiety that could easily develop into hysteria, and I believe that such a report as I have suggested would help to allay those fears.

Mr. Diefenbaker: Mr. Speaker, I will certainly give consideration to that suggestion. I realize more and more that the Canadian people and people generally in the free world should be kept as fully advised as possible as to the true situation, within the limits of security and national well-being, and I certainly thank my hon. friend for his observation.

Mr. Martin (Essex East): Mr. Speaker, may I ask the Prime Minister a supplementary question. My friend the hon. member for Peace River asked if the Prime Minister would make his report over television or radio. I would like to ask the Prime Minister if he decides to make a report, and parliament is in session, would he make his report to parliament?

Mr. Diefenbaker: Mr. Speaker, I think I will do both. The suggestion of the hon. member for Essex East appeals to me very much, and I thank my hon. friend for realizing today how important parliament is.

Mr. Gauthier (Portneuf): You should follow his example.

TRADE

CODFISH—REPORTED ACTION BY JAMAICA TO SHUT OUT IMPORTS

On the orders of the day:

Mr. L. T. Stick (Trinity-Conception): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. Will the minister state what action the government is taking in connection with the threatened action by the government of Jamaica to shut out the imports of salt codfish from the Atlantic provinces?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I will have to take that question as notice, because I have not received a full report on the alleged action.

COMMUNIST CHINA—REPORTED STATEMENT AS TO CURRENCY ACCEPTABLE TO CANADA

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce. On Tuesday last I asked the minister if he was prepared to confirm a statement attributed to our trade commissioner at Hong Kong that Canada is prepared to accept Canadian dollars, Swiss francs or convertible sterling

in payment for certain Canadian commodities which he hopes to sell to the Chinese communist government. He promised he would give me an answer, and perhaps he is now able to do so.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I was unfortunately detained yesterday or I would have given the answer to the hon. gentleman then. This question is based on a radio report to which the hon. member for Rosetown-Biggar was listening. There is no change in policy envisaged here at all. The Canadian government does not prevent private exporters from accepting payment in any currency for their Canadian products. That is a matter for the private exporter and the trade commissioner dealing with any Canadian businessman who wishes to engage in such business.

As a matter of practice Canadian exporters normally wish to receive payment in Canadian dollars or currencies which are readily exchangeable into Canadian dollars for obvious reasons, since such exporters must make their payments in Canadian dollars. This is doubtless the point which the Canadian trade commissioner had in mind, and I think it is perhaps what the hon. member is asking about. I have, however, no information as to the exact words used by the Canadian trade commissioner.

Mr. Coldwell: Then may I ask with respect to the Canadian wheat board, which is in a different category from the people who arrange trade with communist China. The wheat board will not accept sterling but apparently some traders who deal with the government in China will accept sterling.

Mr. Churchill: Well, the practice of the wheat board has been the normal practice of accepting payment in dollars.

Mr. Coldwell: Why not accept sterling?

Mr. Churchill: If sterling is readily and immediately convertible, that is the same thing.

Mr. Coldwell: All sterling is convertible except blocked sterling.

PORK—STATEMENT AS TO ALLEGED REPACKING OF U.S. IMPORTS

On the orders of the day:

Mr. John Charlton (Parliamentary Assistant to the Minister of Agriculture): Mr. Speaker, yesterday the hon. member for Peace River asked the following question:

Certain news reports were circulating this morning to the effect that United States pork products have been brought into Canada during recent weeks, repackaged or relabelled and sold as Canadian pork products. I want to ask the acting minister or his parliamentary assistant if he would make inquiries to ascertain whether these reports are true, and if so what the government proposes to do to stop such a practice.

I have the information here. Imports of United States pork and pork products into Canada in the first six months of 1957 totalled 160,548 pounds. In the same period 16,377,978 pounds of Canadian pork and pork products were exported to the United States.

In both Canada and the United States it is required that imported meats and meats moving in interprovincial or interstate trade must bear an appropriate legend to show that the meat has been inspected and passed for health. Any United States meat entering Canada must bear the health inspection legend of the United States, and any Canadian meat entering the United States must bear the Canadian health inspection legend. When United States meat enters Canada fully processed in consumer packages it is not permitted to be repacked under the Canadian inspection legend.

When United States meats are processed in Canada the Canadian inspection legend is applied to the finished product, and when Canadian meats are processed in the United States the United States inspection legend is applied to the finished product. An example of this would be sides of bacon, going either from Canada to the United States or coming from the United States into Canada, and sliced and packaged into consumer packages in the country of destination. The domestic inspection legend is applied in such instances because the original inspection legend is destroyed in the processing, and because the processing necessitates the reinspection of the product by the veterinary inspection service of the country of destination.

CANADIAN NATIONAL RAILWAYS

MONCTON—STATEMENT ON REPORTED DISMANTLING AND SCRAPPING OF MACHINERY

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I should like to take this opportunity to answer several questions which have been taken as notice for me in the last few days.

The hon. member for Westmorland (Mr. Murphy) asked the following question yesterday:

Has the minister received representations from the Canadian national war veterans association of Moncton or other organizations, protesting the dismantling and scrapping of thousands of dollars of very valuable machinery in the Canadian National shops in Moncton? If so, what action does he propose to take?

The reply to the first part is that I have received a letter on this matter from the Canadian National Railways war veterans association of Moncton. The answer to the second part is that I shall draw the association's representations to the attention of the management of the Canadian National Railways.

AIR TRANSPORT

PORT ARTHUR, ONT.—STATEMENT ON AIR CARRIER LICENCES

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Yesterday the hon. member for Port Arthur (Mr. Fisher) asked if I would check the accuracy of part 2 of question No. 49, answered on page 750 of *Hansard*.

I am advised by the air transport board that at Port Arthur three class 4 air carrier licences are held, as stated in reply to the first part of the hon. member's question. One of the licencees reported ownership of two aircraft up to May 1, 1957. At that time one of these two aircraft was lost through the ice and has not operated since. Its operating certificate lapsed at the end of August. The licencee advised the board by letter dated August 31, 1957, that it had been salvaged and was being overhauled but that it would be some time before it would fly again. The said aircraft is still registered under the name of the licencee. It was on that basis that a negative reply was given to part 2 of the hon. member's question.

GRAIN

REGINA—STATEMENT ON LOADING INSTRUCTIONS TO C.N.R.

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, on Monday last the hon. member for St. Antoine-Westmount asked me the following question:

> Is it a fact that instructions have been issued to freight officials of the Canadian National Railways in Regina to stop loading grain in 40-ton cars and that 60-ton cars only are to be used for loading grain for Vancouver?

The management of the Canadian National Railways advise that the general practice is that 40-foot cars, which are usually 60 tons, are being used for grain shipments to Vancouver as these cars are needed on the Pacific coast for return loading of lumber, pulp and paper. If no 40-foot cars are available then 36-foot cars, which are 40 tons, are used, and if shippers specifically request 36-foot cars these will be supplied although very few such requests have been received.

Inquiries of the Ministry

WHEAT—STATEMENT ON PRICE OF SALES TO MILLERS IN PRAIRIES

On the orders of the day:

Mr. W. A. Tucker (Rosthern): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce. Has his attention been directed to the question I asked his parliamentary assistant yesterday and which his parliamentary assistant said he would bring to the minister's attention?

Hon. Gordon Churchill (Minister of Trade and Commerce): Yes, Mr. Speaker, I shall be glad to give the reply. The question referred to the price at which wheat is sold to millers for milling at some central point on the prairies such as Saskatoon. The answer is that the board sells wheat to domestic millers in the prairie area at the board's asking prices basis in store Fort William/Port Arthur, in other words at the lakehead price minus cost of freight from the point at which delivery is taken.

Mr. Tucker: A supplementary question, Mr. Speaker. Is the same formula used in regard to wheat sold to the millers for domestic consumption as when it is sold to them for milling for export?

Mr. Churchill: I think I would have to get an answer to that from the wheat board.

[*Later:*]

Mr. Tucker: Might I ask a further supplementary question of the Minister of Trade and Commerce, which he might answer when he is answering the other. In view of the fact that wheat is being sold at Vancouver for $1.71 and a fraction and at Fort William for $1.60 and a fraction, the effect being that the Fort William price is 11 cents below the Vancouver price, and that the price to millers is based upon the Fort William price, will he look into the question of whether the basing of that price on Fort William does not in effect import an element of subsidization by the western farmers to the consumers or the millers?

Mr. Churchill: Mr. Speaker, a lengthy and complicated question such as this might better be placed on the order paper, but I will take it as notice.

Mr. H. R. Argue (Assiniboia): I should like to ask a supplementary question arising out of the minister's answer to the hon. member for Rosthern. Why is the price to millers based on the lower Fort William price instead of the higher Vancouver price?

Mr. Churchill: I shall direct the question to the wheat board, who are responsible for dealing with all these problems, and the answer will be forthcoming in due course.

Mr. Tucker: May I say that I brought this matter to the attention of the Minister of Trade and Commerce hoping that he would deal with the whole question when he took it up with the wheat board, and I did not expect an immediate answer.

[*Later:*]

Mr. Argue: I should like to direct a question to the Minister of Trade and Commerce. When the minister is discussing with the wheat board the very important matter raised by the hon. member for Rosthern, will he consider discussing with the wheat board the possibility of establishing a domestic parity price for wheat as requested by the farm organizations of this country?

Mr. Churchill: Well, I thank the hon. member for his suggestion.

WHEAT—STATEMENT ON SALE TO INDIA

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, on Monday the hon. member for Melville (Mr. Gardiner) asked for details of the arrangements made under the Colombo plan for the provision of $7 million worth of Canadian wheat to India. This wheat in effect is being provided free alongside ship and, as in the past, the costs of shipping the wheat are to be borne by India. Depending upon decisions which are yet to be made by the Indian government as to how much No. 3 wheat they wish to take and how much No. 4, the $7 million made available will provide between 4,200,000 bushels and 4,400,000 bushels. The Canadian wheat board, of course, is receiving the going price for such wheat out of existing Colombo plan funds.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I wonder if I might ask the Prime Minister a supplementary question. Can the Prime Minister say whether a discussion was held with India as to whether that country might not accept a much larger quantity of wheat, in view of reports that India this year will be short of food to the extent of 2,000,000 tons, equivalent to 74 million bushels of wheat?

Mr. Diefenbaker: Mr. Speaker, I might say that during the course of discussions between our representative there and the Indian government it was revealed that there is a very great shortage and a need of food grains. Demands for food are rising due to the progress of economic development, and at the same time some producing areas in India are expected to harvest less grain in the near future than was anticipated. I believe consideration will be given to conducting further transactions with India to meet the present situation. At the moment, however, they are merely in a state of consideration, and I am unable to say any more than that.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, would the Prime Minister agree to make this an additional contribution in excess of the Colombo plan payments that we are obliged to make?

Mr. Diefenbaker: Mr. Speaker, as my hon. friend will realize, until the present discussions have achieved a higher degree of fruition than is the case at present I would sooner not say anything more in that connection.

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, I would like to direct a supplementary question to the Prime Minister. I think it is obvious that we are all in favour of helping India in whatever way we can, but how on earth did you get the sale of the wheat mixed up with the Colombo plan? I thought they were two entirely different things. I understood the Colombo plan was for capital assistance.

Mr. Diefenbaker: Mr. Speaker, I do not know who is mixed up, but I can say this. India is very willing to accept the grain in question as part of Canada's Colombo plan contribution, having regard to her economic position today.

ALLOCATION OF BOX CARS

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Has the minister's attention been drawn to the resolution passed at the annual meeting of the Manitoba pool elevators asking that the method of allocating box cars be changed to allow a farmer to deliver his grain to the elevator of his choice? If so, what action, if any, does the government contemplate taking?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I was always under the impression that questions of immediate urgency might be asked during the question period in the house, but we are getting many others. This is not a matter that has not been before the House of Commons in the past. It has been brought to my attention on several occasions during the last few months, and I realize the importance of the problem to the farmers concerned. This is a matter that has aroused a great deal of

interest among farmers who wish to deliver their grain to the elevator of their choice. I have studied letters and documents with regard to the problem. It is under consideration, and I hope some solution that will be satisfactory to all concerned will be arrived at before too long.

TRANSPORT

NEWFOUNDLAND—STATEMENT AS TO GROUNDING OF COASTAL BOATS AND TRAIN DERAILMENT

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, on Tuesday last the hon. member for Trinity-Conception asked this question:

Will the minister inquire into the grounding of two C.N.R. coastal boats lately, namely the *Burin* and the *Henry W. Stone*, also the derailment of a freight train near Stephenville, and report to the house?

The management of the Canadian National Railways advise that as operators of the Newfoundland coastal service they will, as a normal administrative course, conduct an investigation to determine if there was any negligence in connection with the grounding of these two vessels. As the hon. member already knows, there was no loss of life, and I am advised that the *Henry W. Stone* is back in service and that the *Burin* will be dry-docked for examination and repairs if necessary.

With regard to the freight train derailment near Stephenville, here again the management will carry out any necessary investigation and make whatever report is necessary in the circumstances to the board of transport commissioners.

ST. LAWRENCE SEAWAY

STATEMENT ON IMPOSITION OF TOLLS—COST PER BUSHEL OF WHEAT

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, on Tuesday last the hon. member for Meadow Lake asked the following question:

What will the government's decision to impose tolls on the St. Lawrence seaway cost the western farmer in cents per bushel on wheat?

The decision to impose tolls on the St. Lawrence seaway, Mr. Speaker, was made by parliament by legislation passed in 1951. The amount of the tolls is still under study, and we anticipate that tolls will be low enough to allow a net saving in the transportation costs of a bushel of wheat from the head of the lakes to Montreal. Precisely what the net saving on a bushel of wheat might be is not determinable at this time because the seaway is still under construction and the costs cannot be finalized.

With respect to the hon. member's reference to a decision to impose tolls, I should perhaps remind the house how this matter came about. It is well known that for many years the executive branch of the United States government was unsuccessful in obtaining approval from congress for an agreement with Canada for the construction of navigation works in the international rapids section of the St. Lawrence river.

In October, 1945, joint resolution 104 covering construction of the seaway was introduced in the United States Senate. This resolution contained a requirement that tolls would be imposed to make the seaway project self-liquidating. On April 24, 1947, the then secretary of state for external affairs, the present Leader of the Opposition (Mr. St. Laurent), announced in the House of Commons Canadian concurrence in principle to the seaway being made self-liquidating through the charging of tolls.

In July of the same year joint resolution 192 was introduced into the United States House of Representatives providing for approval of the executive agreement of 1941, but requiring the President to obtain satisfactory assurance of Canadian agreement to the self-liquidating principle by charging tolls.

The St. Lawrence Seaway Authority Act was passed by parliament, and received royal assent on December 21, 1951. On May 13, 1954, the President of the United States signed the Wiley-Dondero Act which established the St. Lawrence seaway development corporation as the agency to construct the United States portion of the seaway. Both of these acts provide for the establishment of tolls to make the project self-liquidating.

SHIPPING

ST. LAWRENCE RIVER—STATEMENT ON REPORTED DECISION TO KEEP SHIPPING LANES OPEN IN WINTER

On the orders of the day:

Hon. Jean Lesage (Montmagny-L'Islet): May I draw the attention of the Minister of Transport to a question which was asked yesterday, when the minister was busy at other functions, by the hon. member for Saguenay about winter navigation in the lower St. Lawrence.

Hon. George H. Hees (Minister of Transport): Yes, Mr. Speaker, I have an answer to that question and a similar question from the hon. member for Laurier, notice of which

was very kindly sent to me. As the questions are similar I can answer the two at the same time.

In answer to the hon. member's question I may say that the press dispatches are correct in essence, if not strictly accurate in detail. The department, which in past winters has lent assistance to commercial shipping bound for the lower St. Lawrence and gulf points, hopes to be in a position to provide a greater degree of icebreaker support, in that one and possibly two additional vessels will be available. They will assist shipping to the limit of their capabilities. In the matter of ice aerial reconnaissance, it is expected that the service of past years will be continued, and plans are now under consideration for an extension of the service to provide improved coverage.

Mr. C. A. Cannon (Iles-de-la-Madeleine): May I ask a supplementary question. Would the minister consider extending that work to the Magdalen islands, to keep navigation open?

Mr. Hees: Plans for icebreaking in the lower St. Lawrence are now under consideration, but have not been put in final form as yet.

Mr. Lesage: Are the new icebreakers the minister just mentioned for service in the lower St. Lawrence under construction now, or are they in service?

Mr. Hees: I am not familiar with the exact icebreakers to which the hon. member refers.

Mr. Lesage: The ones the minister mentioned.

Mr. Hees: I believe they are ready to operate at the present time.

[*Later:*]

Mr. Hees: Mr. Speaker, a few moments ago the hon. member for Montmagny-L'Islet asked me a supplementary question regarding the one or possibly two icebreakers we expect to be using this year in the lower St. Lawrence river. One is the *Montcalm*, which it is expected will operate in the lower St. Lawrence river. The other is the *Labrador*, which is at present in drydock. It is hoped to have it in operation by the end of January at the latest.

LABOUR CONDITIONS

CANADIAN NATIONAL RAILWAYS—REQUEST FOR EARLY CONSTRUCTION OF YARD AT MONCTON, N.B.

On the orders of the day:

Mr. H. J. Murphy (Westmorland): I should like to direct a question to the Minister of Transport. In view of today's announcement by Canadian National Railways of the construction of a $17 million railway yard at Moncton, will the minister urge the management, because of the high labour content of this type of work, that the work be commenced this fall to ease unemployment in the Westmorland county area?

Hon. George H. Hees (Minister of Transport): I have not heard of the particular project, but if one is contemplated by the Canadian National Railways I shall urge them to bring it forward as soon as possible.

QUEBEC—WINTER NAVIGATION AS AID TO UNEMPLOYMENT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I wonder if I could ask a supplementary question, not of the Minister of Transport but of the Minister of Labour, arising out of the second to last question. I noticed that the minister was present at a meeting in Quebec to deal with a solution of the unemployment problem and one suggestion made was that winter navigation would assist in the solution of the unemployment problem in Quebec. May I ask the Minister of Labour whether he or his officials have studied this method of assisting unemployment, and what conclusion has been arrived at?

Hon. Michael Starr (Minister of Labour): I spoke at Quebec to launch the winter employment program which is undertaken by the people of that city through service clubs, the municipality and others who are vitally interested in providing employment during the winter months. I do not recall that I said anything about winter navigation in this regard at all, so consequently I cannot answer the question.

Mr. Chevrier: If I may ask a supplementary question, I did not suggest the minister had said anything. What I suggested was that, at the meeting he attended, the suggestion was made that unemployment could be solved in the Quebec area by winter navigation. My question was whether he or his officials had given consideration to that problem.

Mr. Starr: The meeting I attended was a luncheon meeting, and I was the only speaker. No one made any suggestions about navigation. I might say our department has not given the problem consideration.

Mr. Chevrier: I will send the minister a copy of the report.

[*Later:*]

Mr. Starr: The hon. member for Laurier was good enough to send me the press clipping to which he referred earlier this afternoon, in which it is stated that Dean J. M.

Martin, of the faculty of social sciences of Laval University, made the suggestion that winter navigation in the St. Lawrence might eventually help to bring about a permanent solution of unemployment. I think the suggestion has merit and, therefore, should and will receive careful consideration and study.

STRIKE OF RIVER PILOTS, KINGSTON MARINE DISTRICT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I wonder if I may ask the Minister of Transport a question. I wonder if he himself or his officials have been giving consideration to means of conciliating the strike between the pilots in the Montreal-Ottawa-Kingston district and the shipping federation of Canada?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I do not as yet have full information regarding the strike which has taken place in the Kingston marine pilotage district. This district covers the St. Lawrence area from Montreal to Kingston, and is a pilotage district under the supervision of my department, set up in accordance with the provisions of the Canada Shipping Act.

Apparently a large number, if not all, of the pilots are at present on strike. No advance warning of the strike was given to my department, nor were there any advance consultations with my department regarding problems which may have given rise to the strike. First indications received from individual pilots were to the effect that the cause was a heavy load of work, which is normal toward the end of the season; but subsequent information appeared to indicate that the reason was a desire on the part of the pilots to compel the government to introduce what is known as compulsory payment of pilotage dues.

A formal submission from the representative of the pilots had just reached my department at the time the strike took place, and there has not yet been any opportunity to consider its contents in detail, although I understand that the pilots' demands relate to, and indeed go farther than, demands submitted to and rejected by the previous administration over a year ago. They would involve compelling all ships which pass through this area of the river, Canadian and foreign, to pay dues to the pilots regardless of whether or not a pilot is required.

The action of the pilots would appear to be a violation of the officially authorized by-laws of the pilotage district, and the pilots have accordingly been warned that they have rendered themselves liable to the penalties provided in the by-laws. The official pilots' committee is being requested to come to Ottawa to explain its position forthwith, and immediate consultations are also planned with representatives of the deep sea and great lakes shipping companies whose vessels may be involved.

In so far as the effects of the strike are concerned, it would appear that these would be more serious with regard to deep sea tramp shipping which hoped to leave the great lakes at the end of this season, rather than on deep sea ships which have regular routes or on Canadian and great lakes shipping which is fully familiar with the area.

Mr. Chevrier: Thank you.

EFFECT OF DIRECTIVE TO NATIONAL EMPLOYMENT SERVICE

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I should like to address a question to the Minister of Labour. Will the minister report to the house at an early date the effect of his directive to the national employment service in increasing placements of workers seeking jobs?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, this is an effort on the part of those carrying out the directive the results of which are fairly hard to judge. However, if a survey can be made to ascertain the result of the directive and the efforts that are being made to carry out that directive I will be glad to report to the house, if such a report is available at the time.

NATIONAL DEFENCE

U.S.-CANADA—INQUIRY AS TO JOINT AIR DEFENCE COMMAND

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): As we still see through a glass darkly, I should like to address a question to the Minister of National Defence. In view of the growing disquietude due to the present inscrutable and intangible arrangements with respect to the command of Canadian armed forces by General Partridge, would the minister make a statement to inform the house as to General Partridge's present powers, with respect to the disposition of Canadian forces in Canada and his authority with respect to logistics and other matters requiring decision in the operation of such forces?

Hon. G. R. Pearkes (Minister of National Defence): I thank the hon. member for sending me notice of his question a few minutes

ago, and if I can in any way clear up the situation by a brief statement, I shall be only too happy to do so.

First of all I must emphasize the fact that General Partridge does not in any sense command any Canadian armed force. The command of the Canadian R.C.A.F. units assigned to the defence of North America is vested in the officer commanding the air defence command at St. Hubert, Quebec. An integrated United States-Canadian headquarters was established last August; this integrated headquarters is known as NORAD.

General Partridge's authority does not extend in any way to the disposition of Canadian forces in Canada, nor has he authority over the logistics of our forces. In peacetime this integrated headquarters, NORAD, will be responsible for the development of plans and procedures to be used in war. These plans and procedures are to be agreed to in peacetime and to be ready for immediate use in an emergency. They will be reviewed, amended if necessary and approved by the chiefs of staff of the two countries, Canada and the United States, and government approval will be sought before any plans are implemented.

NORAD will be responsible for the general pattern of training and the general supervision of practice exercises designed to ensure the readiness of the forces and facilities in time of emergency. In time of war NORAD will be responsible for the direction of air operations in accordance with the plans which have been agreed to in peacetime. These plans will include the rules for identification of aircraft, for action to be taken if aircraft do not comply with those rules, and for the various methods designed to prevent surprise, thus providing time for consultation between service commanders and government leaders. One of the methods I have referred to regarding the gaining of time was the establishment of our warning lines in northern Canada which are now in operation. I emphasize the fact that the decision to go to war must rest with the government of this country and not with any general, of Canadian or any other nationality.

Hon. Paul Martin (Essex East): Mr. Speaker, I wonder if, arising out of his statement, I might ask the Minister of National Defence if his attention has been drawn to a report in this morning's *Globe and Mail* in which the honourable and gallant gentleman is reported as having stated at a press conference on October 15 that NORAD commanders would have the power by simply pressing a button to send both United States and Canadian fighters, and eventually ground to air missiles, into action.

[Mr. Pearkes.]

Mr. Pearkes: After consultation with the governments concerned.

Mr. Martin (Essex East): He did not say that.

PRINCE ALBERT—INQUIRY AS TO CONSTRUCTION OF RADAR INSTALLATION

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the statement made recently by Lieutenant General Simonds, is it the intention of the Prime Minister to reconsider the proposed expenditure of $2 million in constructing a radar installation at Prince Albert, Saskatchewan?

Right Hon. J. G. Diefenbaker (Prime Minister): I do not know what is the meaning of that question. I will simply point out that there are going to be two research radar installations in North America, made necessary in consequence of the consideration given both by the military authorities and also by the scientific groups connected with defence, and I see no reason for a change in any way in so far as that prospective building program is concerned.

R.C.A.F.—REPORTED CHANGES IN TRAINING COMMAND

On the orders of the day:

Mr. A. R. Smith (Calgary South): May I direct a question to the Minister of National Defence. Can the minister confirm speculation that certain major changes are planned in the operation of the R.C.A.F. training command in the immediate future?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, I thank the hon. member for having given me notice of this question. Reductions in the R.C.A.F. NATO training program will lead to certain reorganizational changes involving a reassessment of the facilities required by the R.C.A.F. training command. No firm or positive action has yet been taken on this matter, and in any case no changes are planned for 1958, with the exception of the R.C.A.F. stations at Claresholm and London, which it is expected will be placed on a care and maintenance basis by the end of next year.

Mr. Smith (Calgary South): A supplementary question. Can the minister tell us, then, that there will be definitely not cut-back in R.C.A.F. training other than NATO units?

Mr. Pearkes: Yes, that is correct.

REQUEST FOR REVIEW OF EXPENDITURES

On the orders of the day:

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I wish to direct a question to the Minister of National Defence. In the light of the reported statement of Lieutenant General Guy Simonds, former chief of staff, that at least 80 per cent of our present defence expenditure is totally wasted, can the minister assure the house that he and his officials are engaged in a serious and realistic appraisal of Canada's defence position, and is he now prepared to recommend to his colleagues that a committee of the house be set up to investigate the situation?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, I can assure the hon. member that I and the officials of my department have been making a very careful and realistic study of the problems to which he refers.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I wish to direct a supplementary question to the minister. In the light of recent international developments, has the Department of National Defence reconsidered the decision to continue with the development of the CF-105?

Mr. Pearkes: The decision was taken the other day to continue with the development of the CF-105 for another year because we believe that in the foreseeable future, if any threat from the air develops against this country the manned bomber will be at least an important part of that threat, and therefore we must have a manned interceptor capable of firing air missiles which will have a homing ability, enabling them to direct themselves on the target. We believe that to be essential.

ROLE OF MILITIA IN CIVIL DEFENCE—REPORTED STATEMENT BY GENERAL WORTHINGTON

On the orders of the day:

Mr. W. J. Henderson (Kingston): May I direct a question to the Minister of National Defence. Is General Worthington's statement in the Kingston *Whig-Standard* of November 6 with respect to the militia's role in the civil defence set-up, a copy of which I gave the minister, a statement of policy respecting the new role of the militia in Canada?

Hon. G. R. Pearkes (Minister of National Defence): I thank the hon. member for sending me a copy of what purports to be an interview with General Worthington on the subject of the militia's role in connection with rendering aid to the civil authority in an emergency. As I think the hon. member knows, General Worthington recently resigned his appointment as national co-ordinator of civil defence; therefore he would not be in a position to express government policy. He has been expressing his own views, and as he is a gentleman with wide experience those views will receive careful consideration.

H.M.C.S. "MARGAREE"—TRANSFER FROM EAST TO WEST COAST

On the orders of the day:

Mr. T. A. M. Kirk (Shelburne-Yarmouth-Clare): May I direct a question to the Minister of National Defence. Is the destroyer *Margaree* being transferred from the east coast base at Halifax to the west coast base at Esquimalt on a permanent basis? If so, what ship will replace the *Margaree* at Halifax?

Hon. G. R. Pearkes (Minister of National Defence): Yes, Mr. Speaker, H.M.C.S. *Margaree* is being transferred to the west coast on a permanent basis. This ship was commissioned in Halifax on October 5 of this year for service on the Pacific coast. Since she is a new ship and has never been in service in the Atlantic command, there is no question of a replacement.

INDUSTRY

BONAVENTURE, QUE.—REPORTED PROMISE TO BUILD PULP MILL

On the orders of the day:

Mr. Wilfrid LaCroix (Quebec-Montmorency): May I direct a question to the Minister of Public Works. In view of the reply of the minister to my question regarding the establishment of a pulp mill at Bonaventure, I would like to ask him if his government recognizes any responsibility or jurisdiction in the matter.

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, so far as I know it is not the responsibility of the government to establish pulp mills.

HEALTH INSURANCE

REFERENCE TO REPORTED STATEMENT BY PREMIER OF MANITOBA

On the orders of the day:

Mr. Louis Denis et (St. Boniface): I would like to direct a question to the Minister of National Health and Welfare. Would the minister care to comment on a statement made by the minister of health of Manitoba, which statement was reported in the press on November 1, 1957, that the national hospital insurance plan could have been started

by July 1, 1958, if the government of Manitoba had received a reply to its letter addressed to the Prime Minister dated August 1, 1957?

Hon. J. W. Monteith (Minister of National Health and Welfare): Well, Mr. Speaker, I have not seen the press report or, if I have, I have forgotten about it. Actually the act is set up as of this moment to go into operation when six provinces have their schemes in force. Now Ontario have notified us that they cannot operate before January 1, 1959, so I have nothing further to say.

ARTS, LETTERS AND SCIENCES

INQUIRY AS TO FEDERAL APPROPRIATIONS FOR RESEARCH

On the orders of the day:

Mr. Claude Ellis (Regina City): Mr. Speaker, I would like to address a question to the Prime Minister. In view of the fears expressed by Dr. G. N. Patterson, director of the institute of aerophysics, University of Toronto, and other Canadian scientists, as reported in a front page story in yesterday's Ottawa *Citizen,* that government appropriations for research in this field are to be cut, will the Prime Minister assure the house that any economies will be made through a reduction in conventional defence expenditures rather than in this vital field of rocket and satellite research?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, there is no intention to reduce the grants to universities for research purposes or to reduce the defence research expenditures in general in any way whatsoever.

Mr. H. R. Argue (Assiniboia): May I ask a supplementary question, Mr. Speaker. I wonder if I can ask the Prime Minister if there is any intention to increase the grants for scientific research and for education generally in line with the recommendations of the experts?

Mr. Diefenbaker: Mr. Speaker, that question of course is a matter of government policy, but I would say this. The whole field of research and scientific expansion and development will receive primary consideration when the 15 nations in NATO meet in Paris in December. I hope as a result of that meeting there will be a general increase in scientific expenditure in order to meet the situation with which all of us are acquainted.

[Mr. Deniset.]

NATIONAL PARKS

SIGNAL HILL, ST. JOHN'S, NFLD.—INQUIRY AS TO DEVELOPMENT PLANS

On the orders of the day:

Mr. J. A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources. Is the minister in a position to make a statement at this time about the government's plans for the development of historic Signal hill in my constituency of St. John's East as a national park?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): I wish to thank the hon. member for having informed me of this question just as I entered the house. I should like to take it as notice so that I may look further into the matter.

Hon. Jean Lesage (Montmagny-L'Islet): Does the Minister of Northern Affairs and National Resources not know that Signal hill was established as a national historic park under the previous administration?

Mr. Martin (Essex East): Everything was done under the previous administration.

Mr. Hamilton (Qu'Appelle): What the Minister of Northern Affairs and National Resources knows will soon become apparent.

PUBLIC WORKS

NEW BRUNSWICK-PRINCE EDWARD ISLAND—INQUIRY AS TO INVESTIGATION INTO CAUSEWAY

On the orders of the day:

Mr. H. J. Murphy (Westmorland): Mr. Speaker, I should like to put a question to the Minister of Public Works which is really supplementary to my question of yesterday. Will the minister inform the house if the report of Price, Waterhouse and Company, chartered accountants of Montreal, on the economic feasibility of the proposed causeway from Westmorland county, New Brunswick, to Prince Edward Island has been completed, and if so will the minister table the report?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, no such report has come to my attention as yet.

UNEMPLOYMENT INSURANCE

REFERENCE TO MINISTER'S STATEMENT RESPECTING AMENDMENTS TO ACT

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to ask the Minister of Labour a question. I wonder if the Minister of Labour has

reconsidered his previous attitude, indicated to the house on October 18, which was not to introduce amendments to the Unemployment Insurance Act, and if so will he advise the house whether such badly needed amendments will be introduced this session?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, this matter has been given serious study and is under consideration by the government at the moment. As soon as a decision has been reached I shall be very glad to inform the house of our intentions.

IMMIGRATION

INQUIRY AS TO TRIP ABROAD BY PARLIAMENTARY ASSISTANT

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to direct a question to the parliamentary assistant to the Acting Minister of Citizenship and Immigration, whom I should like to congratulate even though it is not strictly according to the rules, on his well-deserved recognition. I should like to ask the hon. gentleman if he is contemplating going abroad to encourage immigration, because I am sure all of us would agree that he would be a good advertisement for Canada.

Mr. John B. Hamilton (Parliamentary Assistant to the Acting Minister of Citizenship and Immigration): Mr. Speaker, I do not think I could have been asked a nicer question on my first day in this office, and I assure the hon. member that if I am going to have a trip abroad I will consult with him first in order to learn the best places to go.

UNITED NATIONS

REPORTED INCREASE IN CANADIAN ASSESSMENT

On the orders of the day:

Mr. C. A. Best (Halton): Mr. Speaker, I would like to direct a question to the Minister of Finance. Would the minister comment on published reports that the Canadian assessment by the United Nations is being increased over that of 1957?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, my hon. friend was good enough to indicate to me his intention to ask this question concerning the Canadian assessment by the United Nations, which gives me an opportunity to draw attention to an error in certain published reports in this respect.

On October 28 a report emanated from New York and found its way into some Canadian newspapers to the effect that an increase in the Canadian assessment was being proposed in the report of the general assembly's committee in contributions from 3.09 per cent to 3.15 per cent. This report is erroneous. The fact is that Canada's percentage is being slightly reduced. The United Nations general assembly has set a ceiling of 33.3 per cent on the United States contribution, and has decided that no member should pay more per capita than the United States. Accordingly, when the United States assessment was reduced to 32.51 per cent it was necessary to reduce the Canadian assessment to 3.09 per cent to maintain the correct per capita relationship between Canadian and United States contributions. At these percentages, both Canada and the United States pay just under 10 cents for each man, woman and child in our respective populations.

In other words, Mr. Speaker, the report confused the percentages. The fact is that the Canadian percentage is being reduced from 3.15 per cent for 1957 to 3.09 per cent.

AGRICULTURE

PRICES SUPPORT FUND—INQUIRY AS TO UNUSED PORTION

On the orders of the day:

Mr. E. B. Huffman (Kent, Ont.): Mr. Speaker, I would like to direct a question to the Minister of Agriculture, and in his absence to his parliamentary assistant. What is the unused portion of the $200 million fund established under the Agricultural Prices Support Act?

Mr. John Charlton (Parliamentary Assistant to the Minister of Agriculture): Mr. Speaker, I am sure the hon. member for Kent, Ontario, knows that the $200 million is a revolving fund, and anything outstanding would be the value of the material the board is holding. At the moment, of that $200 million about $30 million is outstanding.

Mr. Huffman: A supplementary question, Mr. Speaker. I realize that possibly the parliamentary assistant cannot answer this question but would he take it as notice. Is it the intention of the government to place a floor under this year's crop of sugar beets, since there are sufficient funds in the vote to meet the request for a floor price of $14 a ton?

Mr. Charlton: The hon. member knows that is government policy, and it will be announced in due course by the minister.

BUTTER—STATEMENT ON PORTION OF INCREASE IN PRICE TO BE RETURNED TO PRODUCER

On the orders of the day:

Mr. John Charlton (Parliamentary Assistant to the Minister of Agriculture): I should

like to answer the following question asked yesterday by the hon. member for Meadow Lake:

How much, if any, of the 5 cents per pound increase that the government has allowed dealers holding butter to charge consumers will be returned to the farmers who produced the butter?

The government has no authority to control the price of butter by dealers, and it does not attempt to do so. This point was explained by the Minister of Agriculture in answer to a question asked by the hon. member for Springfield, as reported in *Hansard*, page 30, October 16, 1957.

As explained at that time, butter prices had risen by from 1½ cents to 2 cents per pound between August 3 and October 12, and prices paid to producers for butterfat had risen to the same extent. Since October 16 there has been little or no change in prices for butter and butterfat on the major Canadian markets.

RESEARCH AND DEVELOPMENT

REPORTED SLOW-DOWN OF SCIENTIFIC RESEARCH AT NATIONAL RESEARCH COUNCIL

On the orders of the day:

Mr. Stanley Haidasz (Trinity): Mr. Speaker, I should like to ask the Minister of Trade and Commerce whether he is aware of the slow-down of the projects in scientific research at the national research council, and whether it is part of the cutting down of expenses which it is rumoured has been ordered by the Minister of Finance?

Mr. Speaker: Order. I might remind the hon. member that this question was answered a day or two ago, and a question relating to the alleged reduction in appropriations for scientific research was answered today.

Mr. Haidasz: Mr. Speaker, I should like to restate my question to the Minister of Trade and Commerce and ask him whether he is aware of the slow-down of scientific projects at the national research council?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I have every confidence in the national research council, and I am quite satisfied that they are continuing their studies without any slow-up at all.

FINANCE

ATLANTIC PROVINCES—REQUEST FOR SETTING UP OF MONETARY REGION

On the orders of the day:

Mr. H. J. Murphy (Westmorland): Mr. Speaker, I should like to direct a question to the Minister of Finance. Will this government consider setting up a monetary region in the Atlantic provinces distinct from the rest of Canada, where the tight money policy will not exist, as suggested on September 26, 1956, by Premier Flemming of New Brunswick?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I make no comment on the propriety of the question, but I do comment upon the inaccuracy of what purports to be the assertion of fact with which my friend closed his question. I may say to my hon. friend that so far as the tight money policy is concerned, that policy of the Bank of Canada, put into effect during the regime of the former government, is under constant study; and whenever there is occasion to make an announcement, that announcement will be made in the house. I think my hon. friend will appreciate that it is a matter of concern to all parts of Canada.

Mr. Chevrier: Arrogance at its best.

Mr. Murphy (Westmorland): A supplementary question. In view of the minister's answer, will he tell the house whether the government is considering an investigation into the monetary system of Canada by royal commission or otherwise, as suggested by the same Premier Flemming?

Mr. Fleming: Mr. Speaker, I think my friend will understand that this whole matter is under consideration and under study at all times.

Mr. Murphy (Westmorland): A further supplementary question, Mr. Speaker—,

Mr. Speaker: Order. I think two supplementaries following a question ought to be enough to clarify an answer. I think the hon. member for St. Antoine-Westmount has a supplementary.

Mr. Murphy (Westmorland): On a question of privilege, Mr. Speaker—

Mr. Speaker: What is the question of privilege?

Mr. Murphy (Westmorland): I have not asked two supplementary questions; I have asked only one on this matter, and I would like to be permitted to ask a second one.

Mr. Speaker: Well, I do not want to do the hon. member an injustice. My arithmetic may be at fault, but I understood him to ask a question and to follow it up with two further questions.

Mr. Murphy (Westmorland): One further question.

Mr. Speaker: Is that what the hon. member says? Then I will let him make it two, but I reserve the right to consider his question before it is answered.

Mr. Murphy (Westmorland): Then I would like to ask the Minister of Finance whether the Atlantic provinces shall continue to suffer under the castor oil policy enunciated by Premier Flemming?

Mr. Speaker: I think the hon. member will now agree that I was right in not permitting him to ask the question.

Hon. George C. Marler (St. Antoine-Westmount): Mr. Speaker, in view of the importance of the subject of tight money and the remarks of the Minister of Finance, would he not think it appropriate if he, on behalf of the government, were to tell us what measures his government has taken since taking office to reduce the tight money situation?

Mr. Fleming: Mr. Speaker I did that on a former occasion. Perhaps my hon. friend was not here to hear it, but he will find the reference to the subject in *Hansard.*

IRRIGATION

SOUTH SASKATCHEWAN RIVER—INQUIRY AS TO CONSTRUCTION START

On the orders of the day:

Mr. W. M. Johnson (Kindersley): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the promises that the South Saskatchewan river dam would be commenced within six months of the election of a Conservative government, can the Prime Minister indicate what steps are being taken to ensure a construction start by December 10; and would the right hon. gentleman also indicate when this government plans to accept the invitation of the province of Saskatchewan to discuss the proposal?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, we are ready to discuss the proposal at any time. However, this does give me an opportunity to point out that the provincial treasurer of Saskatchewan recently made a statement to the effect that in the construction of the South Saskatchewan river dam and power project the federal government was now expected to pay everything. That does not represent anything like the basis upon which consideration is to be given to that project.

Right Hon. J. G. Gardiner (Melville): Mr. Speaker, may I suggest that I am now very pleased to have the statement that I have been making ever since 1947 corroborated by the leader of the government, that the provincial treasurer in Saskatchewan was not prepared to accept any condition other than that the federal government pay the whole cost.

Mr. M. J. Coldwell (Rosetown-Biggar): May I ask the Prime Minister this supplementary question. Is it not a fact that the Saskatchewan government has been on record to the effect that it would bear the whole cost of the electrical installation and some other costs, but that since the government is to assist in the development of electricity in the maritimes Saskatchewan does not expect to be discriminated against by the government of Canada?

Mr. Diefenbaker: Mr. Speaker, I can see that there is still quite a bit of controversy between the hon. member for Rosetown-Biggar and the hon. member for Melville. As far as the provincial government of Saskatchewan is concerned, we are willing to meet with that government at any time. I understood that a basis of agreement was determined two years ago. However, within the last few weeks the provincial treasurer of Saskatchewan came out with a proposition apparently indicating a change of point of view, that the former agreed division was not acceptable and that the federal government was to assume all the costs.

We are ready to meet with the government of Saskatchewan and its representatives at any time. Our point of view regarding the South Saskatchewan river dam and irrigation project is unchanged. We will go ahead, but we do not want the provincial government of Saskatchewan to alter the rules between innings.

Mr. Gardiner: Might I just repeat, Mr. Speaker—

Mr. Speaker: Order. I think hon. members will agree that this seems to be developing into a first-class debate on the South Saskatchewan dam, which to my mind is not appropriate at this time, and I would ask members to let it go at this for today.

Mr. Johnson (Kindersley): On a question of privilege, Mr. Speaker, I do not think it is a matter of debate; it is a matter of the Prime Minister equivocating in his answer. He never answered one of the questions at all.

Mr. Diefenbaker: Mr. Speaker, I am not one who asks for withdrawals. There is no equivocation and I do not ask for a withdrawal; but I do not want equivocation on the part of anyone else to this agreement and that is the reason I made the remarks I did.

Mr. Pickersgill: Just another broken promise.

OIL

REPORTED DISCUSSIONS BETWEEN PRIME MINISTER AND PREMIER OF ALBERTA

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, yesterday I asked the Prime Minister a question. I wonder whether he would now be prepared to comment on the recent meeting between himself and Premier Manning of Alberta?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have not yet had the pleasure of reading what the Toronto *Star* had to say regarding the meeting. It was simply a meeting convened for the purpose of hearing the general situation resulting from the regulations imposed by the United States on oil importations into that country, and also the effect of the reopening of the Suez canal on the demand for Alberta oil in those portions of the United States comprised within what I believe is called district No. 5, the California district.

In the course of the meeting the premier of Alberta placed before me the situation respecting the export of oil from Alberta, and I must say it was a very co-operative meeting, in which views were exchanged very fully. I hope to be hearing from the premier of Alberta further information regarding the problem, and after that has been received, what representations should be made to the United States will be considered.

WAR VETERANS' ALLOWANCE ACT

AMENDMENTS RESPECTING ALLOWANCES, INCOME, COVERAGE, ETC.

Hon. A. J. Brooks (Minister of Veterans Affairs) moved the second reading of Bill No. 28, to amend the War Veterans' Allowance Act.

He said: As I indicated the other day when the house was in committee on the resolution, the bill which hon. members now have in their possession deals with seven sections of the War Veterans' Allowance Act, 1952, and in addition proposes amendments to the two schedules which set forth the rate of allowance and the maximum permissive income for several groups of recipients. Associated with the amendments to the schedules is an amendment to the rate set forth in section 5 of the act.

Before I go into the details of the amendments I think it would be appropriate to review, for the benefit of the new members of the house, the background of the War Veterans' Allowance Act. This measure was first enacted in 1930. At the outset it applied only to veterans who had service in a theatre of actual war in world war I or were in receipt of a pension under the Pension Act, who had a low income or none at all, and who were either 60 years of age or permanently unemployable. The allowance must not be confused with a pension under the Pension Act. A pension is awarded for a disability connected with service, whereas war veterans allowance may be paid where there is no disability at all or where the disability causing permanent unemployability is not service connected. It may, and often does, happen that a war veterans allowance recipient is also receiving a small disability pension.

A pension under the Pension Act, as hon. members know, is paid to rich and poor alike. An allowance under the War Veterans' Allowance Act is subject to a means test because of the ceiling on permissible income. The maximum single rate was originally $240 and the married rate was $480; that was in 1930. The income ceilings were $365 a year for single persons and $730 for those qualified as married. Rates and allowances have been increased from time to time and are now, single, $720 a year, ceiling $960; the married rate is $1,440 a year and the ceiling $1,620 a year. In 1938 the benefits of the War Veterans' Allowance Act were extended to veterans of the South African war; in 1943, to widows whose eligibility flowed from the eligibility of their late husbands, and in 1944 to veterans of World War II and their widows. Other amendments were enacted in 1946, 1948, 1950, 1952 and 1955. I am sure, Mr. Speaker, that the amendments to the schedules of rates and income ceilings are felt by hon. members, and by the veteran body at large, to be of paramount importance.

As I mentioned briefly during the discussion on the resolution preceding this bill, certain changes were made in the schedules effective July 1 of this year by means of a vote in the supplementary estimates. At that time the married rate of allowance was increased from $108 to $120 per month, but no change was made in the single rate which remained at $60 per month. The government feels not only that this action discriminated against the single recipient, but also that the monthly rate of $60 is out of line with present day costs. It is now proposed to raise the single rate of $60 to $70, thus restoring the approximate percentage balance between the single and married rates. With respect to income ceilings, it is desirable to maintain sufficient difference between them and the allowance rate to enable a war veterans allowance recipient to benefit from some of the other income which he may

have. In addition, the increase in the cost of living has made it necessary to raise the level of ceilings.

Last July the difference between the single rate and ceiling was increased from $10 to $20 a month, and this differential is being maintained by the proposed increase in the ceiling from $80 to $90 a month. In respect to the married recipients, however, the differential was increased last July from $12 to $15 a month and the proposal now is to increase it to $25 by raising the income ceiling to $145 a month.

Most hon. members are aware, I believe, that the assistance fund can be used in cases of need to supplement the income of the war veterans allowance recipient up to the ceiling. For example, under the proposed amendments an eligible married veteran without other income will receive war veterans allowance of $120 a month. If his necessary living expenses show him to be still in need, payments from the assistance fund may be made up to a maximum of $25 per month which, added to the war veterans allowance, can equal the permissible income ceiling.

Furthermore, I wish to stress that casual earnings continue to be exempt income; that is to say, casual earnings are permitted over and above the ceiling of permissible income and do not have the effect of reducing that ceiling. It must, of course, be understood that a raise in the income ceiling makes eligible a new group of veterans whose income equalled or slightly exceeded the old ceiling.

Therefore a raise in the ceiling involves an additional cost by way of payment of the allowance to the new group.

The proposed amendments to section 5 of the act are exactly in line with those that I have been discussing. Section 5 permits the continuance to a widow of a war veterans allowance recipient of the married rate for one year after the veteran's death; it permits a continuance to the veteran of his married rate for one year after the death of his wife. This special award is made to enable the bereaved person to meet the period of adjustment following the death of the spouse. The rates in section 5 are increased to conform to the normal married rate and ceiling.

The act provides that a veteran of the Canadian forces qualifies from a service point of view for war veterans allowance by having served in a theatre of actual war. A veteran of Her Majesty's forces other than Canadian or of the forces of our allies qualifies in the same way provided that he was domiciled in Canada at the time of his enlistment. If such a man who served in world war I was not so domiciled in Canada he is required to have resided in Canada for at least 20 years. This required period of residence is reduced to 10 years by the proposed amendment, subsection 4 of section 30 of the act.

The bill proposes the same reduction in residence for a person who seeks to qualify under subsection 6 of section 30 of the act. These veterans have not served in a theatre of actual war in either world war I or world war II but they did serve in both wars. That is to say they are what is known as dual war veterans. In world war II they served with Canadian forces and in world war I they served with other commonwealth forces or an allied force but because they were not domiciled in Canada before their enlistment they are at present required to have 20 years residence in Canada as a condition of eligibility under the act. This period is also reduced 10 years.

The widow of a veteran who is qualified by any of the above methods which I have just described would also be eligible in her own right upon his death.

As many hon. members are aware there has been much dissatisfaction throughout the country in recent years because the widow of a veteran whose eligibility depends upon 20 years' residence in Canada could not become eligible unless he had lived here for that period of 20 years no matter how long she herself had resided in this country. I could mention various distressing types of cases such as that, where the veteran died 19½ years after coming to Canada or, again, where the veteran died with less than 20 years residence here but he and his wife had brought up a family of boys who served and perhaps lost their lives in world war II.

The proposed amendment remedies this situation and changes the 20 year requirement to 10 years to conform with the changes proposed in section 30. Under the amendment the widow will become eligible from a residence point of view from the earliest date upon which she has been resident in Canada for 10 years and upon which her husband, had he lived, would also have had 10 years residence. It will be observed that by requiring that the husband, had he lived, would have had 10 years' residence the proposal conforms with the basic principle that the eligibility of the widow shall flow from her husband's eligibility.

The present act provides that where a member of the Canadian forces on active service assigns pay to a recipient of war veterans allowance and where no dependent's allowance is paid to the recipient or to the recipient's spouse, the assigned pay is to be

regarded as exempt income. This provision was enacted when active service meant in effect service in wartime. Since then the entire Canadian regular forces have been placed on active service and the original intent of the exemption has been lost. It was never intended that the father of a man or woman pursuing a military career should have an advantage of this kind over one whose children are pursuing a career in civil life and therefore the bill proposes that the provision be revoked.

In determining the income of a war veterans allowance recipient from any interest in real property, an exemption is permitted in respect of the value of the house in which he resides. This exemption was fixed at $6,000 in 1952 and it is agreed that since then the value of real estate has gone up. Canadian housing statistics show that the estimated average cost of a single family dwelling in Canada has been increased by 32 per cent from 1952 up to the second quarter of 1957. This percentage takes into consideration the cost of land, labour and material. The proposed amendment would increase the exemption from $6,000 to $8,000, being 33⅓ per cent. It should be noted that the exemption is not the market value of the property but the interest which the recipient has in the property. This interest is either assessed value established by the municipality or the equity of the recipient in the property, whichever is the greater.

The bill repeals section 8 of the act which reads:

> No allowance shall be paid in respect of any orphan who is in receipt of a pension under the Pension Act.

Heretofore, when the father's death was attributable to military service the maximum monthly payment under the Pension Act to or on behalf of one orphan is $40. Where the father's death is not attributable to service, the maximum monthly payment that may be made to or on behalf of one orphan under the War Veterans' Allowance Act together with a payment from the assistance fund would be $60.

It is true that there is a means test for the latter group whereas a pension is paid regardless of other income. However, the cases in which the orphan has private income are comparatively few and generally speaking the child whose father's death is not related to service receives more money from public funds than the child whose father died on the battle field. This is undesirable and the amendment provides that the pensioned orphan whose entire income is less than the war veterans allowance ceiling for orphans will be eligible for an award of war veterans allowance.

[Mr. Brooks.]

Subsection 1 of section 14 of the present act permits a recipient of war veterans allowance to be absent from Canada without loss of allowance for a period of three months in any calendar year, provided he returns to Canada within six months from the time he left this country. The bill makes two changes: it would permit the recipient to be absent from Canada for six months from the last day of the first month in which he absented himself, and it would also permit payment upon his return for a total of six, instead of three months in any calendar year.

In respect to the salaries of the chairman and other members of the war veterans allowance board, I remarked at the resolution stage that the government felt these were overdue for revision in line with salaries of senior civil servants and I believe there must be general agreement on that score. These salaries were last revised in 1955 and since then there have been two general salary revisions for civil servants. As a result the relativity which existed between members of the board and other senior officials has not been maintained. Civil servants whose salaries were in the same bracket as members of the board in 1955 have now had their salaries set at a level much higher than the rates now shown in the act and it is felt that members of the board should benefit from a comparable adjustment. The latest revision shows the senior officers grade I whose salaries ranged from $9,000 to $10,000 in 1955 are now paid from $11,500 to $12,500. The revisions proposed in the bill are well within the amounts granted to senior civil servants with comparable responsibilities, and I believe they will be acceptable to hon. members. The effective date corresponds with increases to the civil servants.

Finally, the bill offers a solution to a problem which has been the subject of strong representations by veterans organizations for some years. During world war II the United Kingdom was deemed to be a theatre of actual war whereas during world war I the United Kingdom was not so regarded.

A considerable number of men reached England during world war I and were retained in that country in the interests of the service. Senior officers will readily agree that the individual man in the ranks, and even the junior officer, had little to say as to the nature of the service that he would be called upon to give. Experienced instructional staff, men with peculiar administrative ability, men skilled in various occupations; many of these were retained in the United Kingdom against their wishes. My colleague the Minister of National Defence has from time to time drawn attention to the rigours

of the training camps on Salisbury Plain, conditions that were not encountered in the well-housed training areas of world war II.

The bill extends eligibility for war veterans allowance from a service point of view to those who served in the United Kingdom during world war I for at least 365 days prior to the date following the armistice. This minimum period of 365 days conforms with the more recent recommendations of the Canadian Legion, and is considered by the government to be a fair basis upon which to establish eligibility.

The entire bill, except the portion dealing with salaries, is intended to come into effect on the first day of November, 1957. It will be noted that this date is also the effective date of the bill which amends the Old Age Security Act.

The main reason for selecting November 1 as the effective date of the war veterans allowance measure is to bring into effect, as soon as possible, the higher income ceilings and the other improvements that the bill covers. Another important reason for choosing the same effective date as that fixed for the old age security increase is to ensure that the higher income ceilings permit the war veterans allowance recipient who has reached the age of 70 to obtain maximum benefit from the increase of old age security pension.

I think I should take this opportunity to mention that some delay in processing all the accounts at the new war veterans allowance rate and ceiling will inevitably occur. Old age security pensions require no complicated computation such as results from the income ceiling of the war veterans allowance. The cheques for old age assistance benefits can therefore be written at short notice, whereas the war veterans allowance accounts must be scrutinized individually.

As some hon. members are aware, the income ceiling is attached to a continuous period of twelve months, known in my department as the VA year. This VA year commences to run from the date of the award of war veterans allowance or from the date of reinstatement of war veterans allowance following a period of cancellation. The VA year may therefore commence from any date in the calendar year, and hon. members will appreciate how complicated the computation of adjustments can be. The process is necessarily time-consuming, and to avoid anxiety among recipients who might think that they have been overlooked, I should like to make it as widely known as possible that every case will not be adjusted to the new rate during the month of November. However, the officials of my department are giving priority to the task of reviewing these files, and we hope that all adjustments will have been made within the next month or so.

I hope, Mr. Speaker, that these remarks will have been of assistance to hon. members in clarifying the intent of this measure. I may say I shall be prepared to give further detailed information when we come to discuss the different clauses in the bill.

Mr. W. A. Tucker (Rosthern): Mr. Speaker, I should like first of all to commend the Minister of Veterans Affairs (Mr. Brooks) on the very clear statement he has just given regarding the intention of the bill which is now before us.

I think I should observe at the outset that most hon. members who have had anything to do with veterans legislation will realize that this bill is of the same nature as those which have constantly been coming before parliament with regard to veterans affairs. As each step forward has been taken it has been found that further steps need to be taken in order to meet difficulties which arise or to iron out inconsistencies or inequities. Then, again, as the cost of living has risen it has been necessary to increase the amounts payable under this legislation. There has also been a feeling on the part of the people of Canada that assistance given to ex-service men should at the very least not lag behind that granted under the ordinary social welfare measures.

It was naturally to be expected that further steps would be taken with regard to war veterans allowances and pensions legislation in the light of the measures adopted by parliament in regard to old age security, old age assistance and the other matters with which we have already dealt.

I should say in this regard that many people think—I am inclined to agree with them—that where men have given service to their country at risk to themselves, as is the case with ex-service men, they should receive some extra consideration from the federal government, especially if they suffered in any way as a result of that service in respect of their ability to work or with respect to their position in life. This view was, of course, taken by the minister and by those associated with him when he was in opposition.

It is in the light of that attitude that I now propose to go over the bill which he has introduced today and make a few remarks in regard to it. As a member of the party whose government brought the veterans charter into existence and improved it on a number of occasions I naturally welcome this further improvement and I think all members

of our party will welcome the improvements which have been mentioned by the minister.

The first improvement is in regard to increasing the monthly rate payable to single veterans from $60 to $70 a month. That, perhaps, is not going to make so great a difference as some may think, because, as the minister pointed out, a person who had no other means of livelihood was able to obtain assistance from the assistance fund, and augment that $60 a month. Nothing is proposed with regard to increasing the amount to be paid as a basic rate to married veterans, and the minister sought to excuse this omission by referring to the assistance fund and to the fact that the ceiling on income had been raised. I intend to deal with this matter briefly later on.

With regard to the proposal that veterans of the first world war who served only in the United Kingdom should receive the benefit of the act if they served at least 365 days in that country, I think most of us realizing that those who served in the second world war have always had this particular benefit have felt the time had arrived when it should be extended to those earlier veterans even though they did not get any further than the United Kingdom, and that the time had come to improve the position of the veteran of the first world war who was kept in England by order of his superiors and often against his own will.

I realize that the Canadian Legion has recently recommended that this be extended only to those who served one year in the United Kingdom and the bill follows that recommendation.

Naturally I am personally glad to see the government going that far in recognizing the position of these old veterans most of whom are now over 60 years of age and in need of more assistance than heretofore. Nevertheless, it seems to me that the same reasoning under which it is to be granted to those who served in the United Kingdom for one year should be applied to those who had any service whatever in the United Kingdom. There is no similar restriction of a year's service in relation to those who served in world war II as to receiving the benefit of the allowance and I think the same reasoning should apply in removing the restriction regarding those who served in world war I in the United Kingdom.

Because the Canadian Legion has gone only this far in its recommendation doubtless the minister feels he has gone far enough in recognizing the position of these ex-servicemen, but I presume he had another reason for so doing beyond that of recognizing the Legion's request and I hope he will reveal it to the house.

The next matter referred to in the legislation is the position of a widow whose veteran husband lived in Canada slightly less than 20 years. It did not matter how long she might have lived in Canada, she could not get the benefit of the War Veterans' Allowance Act after her husband's death if he had not resided here for 20 years or more before death.

The reduction in the residence qualification to 10 years is one which I think everyone will welcome but I would point out to the minister that in reducing the residence qualification to 10 years in this legislation he did only what was done this session already in the case of the other social welfare legislation affecting the recipients of old age assistance, blind pensions and old age security. As hon. members know people can receive old age security even though they may not be British subjects and may not have given the service to this country which our ex-servicemen may have given.

In reducing the residence qualification in this legislation to 10 years as has been the case in the other social welfare legislation what he is really doing is putting war veterans on the same basis of qualification as the recipients of social welfare who have no special claim as veterans have. In view of the attitude the minister adopted in the past when in opposition I am certain he will want to give some extra consideration to the veterans who served their country and to the dependents of veterans and putting them on exactly the same basis with those in receipt of social welfare could not have seemed to him generous, to say the least.

The next subject dealt with is the amount to be charged as income against a veteran in respect of a residence which he may own. The Canadian Legion has recommended that the value of the residence not to be so charged be placed at $9,000 so that no interest on this sum should be counted as income. The bill before us proposes raising this amount to $8,000. In view of the fact there has been a rise of approximately 187 per cent in the value of homes since the original amount was set at $4,000 I feel that an increase to $10,000 or $11,000 might have been justified. I think the Legion was extremely reasonable in suggesting $9,000 and I feel the minister should have gone at least that far. However, setting the value at $8,000 will mean an increase of $2,000 over the present amount and this will be helpful and, I am sure, appreciated.

I come now to the question of absence from Canada in regard to affecting receipt of war veterans allowance. Although I will deal with this question more fully at the conclusion of these remarks I want at this time to observe that here again the minister simply followed what has been done with regard to the other social welfare legislation. In going only this far the minister has not gone nearly as far as he and his colleagues insisted should be done when they were in opposition as I will draw to his attention in a minute or so.

I have already mentioned the fact that the minister offered as an explanation for not referring this bill to a committee the desirability of getting these cheques out as soon as possible. I appreciate what he said in regard to war veterans allowance cheques not being issued more or less automatically as old age security cheques are because I realize that any change in the law as to the basic allowance or ceilings entails a great deal of work in calculating the amount to be paid to each veteran. But I also have no doubt that the officials of his department are already lining things up on the basis of the proposed amendments and I suggest that referring this legislation to a committee would not delay getting the cheques into the hands of the veteran very much if at all.

I received in the mail last night a copy of the submission to the Prime Minister (Mr. Diefenbaker) and the cabinet prepared by the Canadian Legion of the British Empire Service League. This is a most carefully prepared submission and if a committee had been set up I am sure representatives of the Legion would have been glad to appear before it to adduce reasons for the position they have taken with regard to the various matters affected by the legislation. Looking at the situation as sympathetically as I can from the minister's viewpoint I fail to see why he did not agree to refer this bill to a committee where the positions taken by the various veterans organizations could have been presented to it. This could have been done without delaying the other business of the house. Dealing with the bill in the house with no reference to a committee means that it cannot receive the careful attention we all feel it deserves unless we are going to hold up other business.

Mr. Brooks: I do not want to interrupt the hon. member except to say that the president of the Canadian Legion told me only yesterday that they did not desire to have a veterans affairs committee this session; they did not think that it was necessary.

Mr. Tucker: I can understand the minister feeling that he should pay some attention to that, but in view of the fact that so many of their representations are not being carried out,—

Mr. Brooks: Not too many.

Mr. Tucker: —their requests are not being carried out, and in view of the fact that there is certainly a very real possibility of an election—I do not say it is justified by the situation, but judging by the remarks of the Prime Minister that an election may come at any time and the remarks of the Solicitor General (Mr. Balcer) in Toronto recently that we are in the midst of a campaign—I am rather surprised at the Canadian Legion not wanting to press for the things they ask for in their brief if they knew what a short distance in some respects the government was going in carrying out some of their requests.

Mr. Brooks: They are not as susceptible to rumours as members of the opposition.

Mr. Tucker: I hope my hon. friend is right because I think—the Gallup poll indicates it—that the vast majority of the people of this country expect the government to carry out some of their promises in regard to veterans, in regard to the position of the farmers—

Mr. Brooks: Hear, hear.

Mr. Tucker: —and in regard to these matters on which they made very specific promises to the people of Canada. I think they expect the present government, if in carrying out those promises they get the support of a majority in the house, to stay right here and do that job and not be looking—

Mr. Cardiff: We are doing that.

Mr. Tucker: —for a dissolution before they have done it. I am sure that is what the people of Canada want and it is perhaps what the Canadian Legion expects.

Mr. Charlton: They wanted it before.

Mr. Tucker: I am just wondering whether we should not pay some attention to what the Prime Minister said. He has stated on more than one occasion that an election may come at very short notice. What is going to happen in regard to the veterans if this happens? The things they have asked the government for could not then possibly be brought into effect until after the election was held and a session called after the election. I really wonder whether they realize what seems to be the thinking of some of the hon. gentlemen opposite. I hope that

that thinking does not prevail, because I do not think it is in accordance with the wishes of the people of Canada. They have elected the hon. members and while they are in office and carrying out their promises —in the light of the statement on the throne speech debate made by the Leader of the Opposition (Mr. St. Laurent) I agree with the hon. member there would be no excuse in the world for calling an election before some of these things are done—I take it from what he said—

Mr. Cardiff: Don't worry about it.

Mr. Tucker: I need to worry about it because I am here speaking on behalf of the veterans and I must take seriously the statement of your own leader.

Mr. Maloney: He is a veteran.

Mr. Tucker: My hon. friend is suggesting that I should pay no attention to the statement of the Prime Minister?

Mr. Cardiff: I did not say that; I said not to worry about it.

Mr. Tucker: He said I should not worry about it.

Mr. Cardiff: You are not worrying about that; you are worrying about the calling of an election.

Mr. Tucker: My hon. friend is suggesting I do not worry. I think my work in this house on behalf of the veterans will bear examination. I have done my best, Mr. Speaker. What I am saying is this. I have every faith in what the Minister of Veterans Affairs said. I believe he has hopes of bringing in a bill dealing with all these veterans matters and referring it to a veterans committee at the next session which I presume will be held after Christmas. At that time all of these things could be gone into. If one were absolutely sure that that is going to happen, the situation would be different. I am not suggesting that the minister does not expect it to happen but I must say that when the minister said what he did—and I hope he will forgive me for saying this—there is more reason for the veterans and the country now to expect that there will be no dissolution unless it is forced on the government, until the Prime Minister's promises are carried out.

The next question that I said I would come back to—I do not want to take too long on it—is the question of the over-all maximum annual income which is allowed to the single veteran. As was pointed out by the minister, that maximum over-all annual income allowed to an unmarried veteran, without a child, or not residing with a child, has been raised from $960 to $1,080. The bill proposes to raise it that much. What does that mean, Mr. Speaker? It means this. We will take a veteran who is over 70 and whose wife is over 70. Many of them are in that position. They will draw between them in old age security the amount of $1,320.

I started speaking about the single veteran and will deal with his position first. The single veteran will draw old age security in the sum of $660 and under this legislation he is entitled to draw $70 a month, which makes $840. Now that would give him an income of $1,500; but the difficulty is that the over-all limit placed in this bill is only $1,080. In other words, by putting this over-all limit in the bill at $1,080, it means that the recipient over 70 on old age security cannot draw in war veterans allowance a matter of $420 of the amount provided by this parliament. That has been criticized by the members opposite from time to time. For example, I would refer to the remarks of the Prime Minister, when he was in opposition, about the right of a person in receipt of old age security to get that and the war veterans allowance in full.

The Prime Minister, when he was in the opposition, spoke about this in this house on July 12, 1956, and I find it hard to understand how a government newly elected should ignore the words spoken in this house by their own Prime Minister before the election. Here is what he said; as reported at page 5897 of *Hansard*:

> I should now like to say a word or two with reference to a matter that has been discussed on previous occasions, namely, war veterans allowances. As the situation is at the present time, the ceiling on income for single veterans is $840 and for married veterans $1,440.

This is the present Prime Minister, then one of the spokesmen for the opposition, speaking:

> I find it hard to understand why the amount should not be increased to the level of that amount which, under the Income Tax Act, becomes exempt from income taxation. This question has been asked the minister before: where is the sense of fairness in this situation? Everyone is entitled to the old age pension, whether it is the Prime Minister who receives it or somebody else. Every citizen in our country is entitled to it at 70 years of age. Why should those in receipt of war veterans allowance find the amount of their old age pensions in effect reduced on the achievement of the age of 70 years? That is something that one hears universally complained about. It is something that is unjust for, by reason of the present ceilings, it places those who served and their dependents in a second-class position with respect to others who did not serve. It brings about a state of affairs that is unfair and unjust and it constitutes a discrimination that cannot be justified.

He went on to say:

> I ask the minister once more—as he has been asked on previous occasions—this question: why should such a state of affairs be permitted to continue?

In the words of the leader of the present government, in the words of their own leader, I ask why this situation should be permitted to continue which he states is unjust? The government has the power to bring in a bill to remedy this injustice about which their leader spoke with such eloquence in the house. Why have they not done so? Did they not mean what they said at that time? What is stopping them from doing it now? Nobody in the house has told them that they would not support them in that view. Certainly we expected it because it was put plainly not only by the present Prime Minister but by other members. For example, the present house leader, speaking on April 12, had this to say, as found at page 3477 of *Hansard,* just last spring. At that time the present Minister of Public Works, (Mr. Green), then in the opposition, said:

> So far as war veterans allowances are concerned, some increases have been made of which we all approve, but the needs have not been faced as they should have been. The ceilings on permissive income have been increased somewhat, but when the new parliament meets they will have to be raised to such an extent that when a recipient reaches 70 years of age he will get his full old age security payment without any reduction in his war veterans allowance.

This is the pledge of one of my hon. friend's colleagues. The minister will not say that promise has been carried out. He cannot. He did not pretend it was being carried out. What I do not understand is why, now that they have the chance to do so, they should not carry out the promise which they held out and on the basis of which they now occupy the position they do.

I have known the present Prime Minister for a very long time, and in effect in the campaign he said, "I am not making these promises in any irresponsible way; I am making promises that we intend to carry out." Now, are you carrying them out in this bill? Here is where the minister was speaking.

An hon. Member: What did you do in the last 22 years?

Mr. Tucker: We are not talking about what the Liberals did, we are talking about what you are doing after being elected to office.

Mr. Cardiff: I told you not to worry about it.

Mr. Tucker: My hon. friend says not to worry about it. Is it any wonder that I worry when we meet right after the election and the promises made by the present Prime Minister are not being carried out?

An hon. Member: You did not seem to worry too much about these matters.

Mr. Fraser: After the 1953 election you did not keep your promises.

Mr. Tucker: My hon. friends asked for support on the basis that the Liberals should have done this but now when they are in a position to act they are not doing it. I ask you, Mr. Speaker, is it not much worse for people who get elected on the basis of certain promises to ignore them?

Mr. Fraser: Oh, oh!

Mr. Tucker: You can laugh all you want to but I am sure that the hon. member who has laughed—I will not name him—was one of those who was most loud in his denunciation of the unfairness of this thing.

Mr. Fraser: Certainly I was.

Mr. Tucker: Why do you not get up now and say that you are not carrying out the promises you made?

Mr. Fraser: We have not been in office six months.

Mr. Tucker: Yes, but this is the first step you are taking now in regard to veterans legislation.

An hon. Member: Emergency legislation.

Mr. Tucker: You could have put this in the bill just as well as what you have. Is my hon. friend suggesting that it would take any longer to write into the bill a figure of $1,500 than $1,080? Does he require more than six months to make that change?

An hon. Member: You didn't do it in 22 years.

Mr. Tucker: As a matter of fact, hon. gentlemen opposite should not think that they are going to get away with not keeping the promises they made to the people by talking about what we did or did not do. They are in office now. They are the ones to whom the people are looking, and I tell them that if they proceed so flagrantly and defiantly to break their promises with regard to this matter the people will not think very much of them.

An hon. Member: Are you voting against the legislation?

Mr. Tucker: I must not let my good friend, the Minister of Veterans Affairs, get off scot free. I must admit that he was more cautious than some of the others over there. Here is what he said when speaking on July 6, 1956, as found at page 5751 of *Hansard*:

> I want to emphasize this afternoon that one of the first things to which the Department of Veterans Affairs should give attention is this matter of increasing the ceiling on the war veterans allowance. For instance, take the veteran who has reached the age of 70 years. If he has no other income but his war veterans allowance, owing to

the ceiling he can obtain only part of his war veterans allowance because he is also a recipient of the old age pension.

Let me repeat what the Minister said:

I want to emphasize this afternoon that one of the first things to which the Department of Veterans Affairs should give attention is this matter of increasing the ceiling on the war veterans allowance. For instance, take the veteran who has reached the age of 70 years. If he has no other income but his war veterans allowance, owing to the ceiling he can obtain only part of his war veterans allowance because he is also a recipient of the old age pension. If he is single he can receive a total of only $820 a year.

He goes on to say:

Then there is the disability pensioner. These things are not new. I know hon. members have heard them discussed in the veterans committee. We brought in amendments and pressed for these considerations in 1952 and 1955.

Mr. Brooks: What is wrong with that?

Mr. Tucker: Well, the minister said there that the person should not receive a smaller amount of old age security on account of being able to draw the war veterans allowance.

Mr. Brooks: I said we should increase the ceiling, which we have done.

Mr. Tucker: What my hon. friend pressed for, and he will not deny it, was that these people should be able to get both in full. This is what they committed themselves to. I must say I think hon. members opposite should be so anxious. I can say things about their government that they cannot say, and I think they should be anxious that all possible is said to see that their government carries out the promises which they held out to the people in the election campaign. Instead of some of the backbenchers looking at me frowningly and finding fault, they should be saying, "Well, after all, this should be said to our government". We would like to have the government carry out its promises.

What is the position with regard to married veterans in this regard? This is one of the main things brought out by hon. members opposite when they were in the opposition. Take the ceiling for a married veteran. It is set at $1,740. If he is an old age security recipient he can get a total of $1,760. I would have thought, Mr. Speaker, that when all they had to do was raise it another $20 to carry out their promises to the old married veteran they would not have actually appeared to break their promise for the sake of that amount. But they have not even gone that length with respect to the old veteran.

I am glad that they went as far as they did because I think there is a great deal to be said for what the Prime Minister, then in the opposition, and the present Minister of Public Works and others said about it. They said that old age security was paid to everybody as a matter of right, that the war veterans contributed to it and receiving it should not cut down what they would get by way of war veterans allowance.

But the thing that I find difficult to understand is what prevented the minister and the government from carrying out these promises. This is the question. They used to say, "Why does the government not do these things?" They used to hint there was perhaps some hidden hand. Surely any such alleged influence has not begun to operate already on the government which is so brand new in office. The brand has practically not worn off yet, and here they are not carrying out this fundamental promise.

Mr. Fraser: The hon. member is trying to belittle something he knows is good.

Mr. Tucker: I said this was the sort of bill that has been brought into parliament over and over again. We made this difference. Invariably, except in the session this spring, when we brought proposals into parliament we referred them to the veterans affairs committee.

Mr. Brooks: Not always.

Mr. Tucker: Almost invariably, I will say. Admittedly, I think there was some reason for not doing it in this spring's session before the election. However, I do not recall any time prior to that when this course was not followed. I do not insist that is so, but I say almost invariably this sort of legislation was referred to a veterans affairs committee. Almost all parties thought this procedure was good. I know the minister was one of those who thought it was a splendid thing because you could get representations from organizations of ex-service men; you could get representations from those in touch with the veterans through welfare organizations who know how hard it is to live on the amount granted by this legislation; you could get representations from those officials who are responsible for raising the money, and so on. Then, the veterans affairs committee, having given far more time to the study of this measure than we can possibly give in this house and do the other necessary business, could then make representations to the government.

As the hon. member knows, time and again the previous government acceded to those representations at times in a very great way. The other day I referred to an occasion I believe in 1948 when the government brought in a bill providing a 10 per cent increase in pension. As a result partly of representations

before the veterans affairs committee the increase was raised to 25 per cent. I feel the minister, being the person who has championed that way of doing business, should not refuse to do the same thing and thus be the first one to break that great tradition. He was one of those who insisted on that course.

I do not believe he really considers that if this had been sent to the veterans affairs committee the measure would have been delayed more than one week. This would not have delayed the payment because the measure is effective from November 1. It would not have changed the total amount the veteran would receive. I do agree these men should get these cheques before Christmas. If I thought there was a chance any substantial number would not get their cheques before Christmas I would feel differently. However, I have such great confidence in the department over which the minister presides, their efficiency and their ability to do a great job under pressure, that I am satisfied if the measure had been referred to the committee the cheques would have been delayed only a matter of three or four days at the most. They would have been out in plenty of time for Christmas.

I should like to refer to the question of permitting absence from Canada for only six months. As has been stated already, this only goes as far as the social welfare legislation we have already passed. I do not believe the minister would have wanted to limit himself in that regard, and I do not know why he did limit it to that. I shall not take the time to give citations, but the minister knows that the members of his own party took the attitude that it was not treating the Canadian veteran fairly to cut off his allowance when he had to go outside Canada to preserve his health. When this government introduces a measure and does not go any farther than they have just gone in respect of old age pensions, old age assistance, then they are going back on the representations they made in veterans affairs committees and on the floor of this house that where health reasons took a person out of this country he should not have his allowance cut off.

Had the minister referred this measure to the veterans affairs committee it might have been possible for this government to do as previous governments did, reconsider these provisions and do a better job for the veteran. I regret very much, Mr. Speaker, that my good old friend and colleague, after all the work he has done for veterans, should have been the first one to bring in a bill which does not carry out some of these important matters. I hope that during such time as he may occupy the bench he occupies now he will not be put in that position again.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, the members of this group will continue their non-partisan approach to veterans affairs matters, and will approach them in a spirit of co-operation. I must say I was very interested in the review of the legislation made by the minister. I agree with the remarks of the hon. member for Rosthern (Mr. Tucker). We support this bill on the principle that three-quarters of a loaf is better than none. We are very glad that the amendments contained in the bill will benefit the veteran.

I must say, however, before proceeding that I thought the preceding speaker indicated a quite unnecessary measure or superfluity of righteous indignation.

Mr. Tucker: Only the members of the C.C.F. are virtuous; we all recognize that.

Mr. Herridge: I can quite truthfully say that the two small groups at this end of the house are the only ones who have fully kept their promises to the veterans of this country. I listened with interest to the hon. member because I have been on veterans affairs committees over a period of twelve years—I would advise anyone who wants to get the history of this question to read some of the remarks of the hon. member and his colleagues in the house and in the veterans affairs committee—and I remember when other members of this house were trying to get amendments to the legislation in the direction in which these amendments go. It does make a great deal of difference what the circumstances are and on which side of the house you sit. One could easily understand, Mr. Speaker, in view of the situation as it exists today, that we in this group have a very virtuous feeling because we have never broken our word.

I am not going to deal with the sections that bring some benefit to the veterans and their dependents in this country, because I am going to be reasonably brief. I can deal with those when we are dealing with the bill in committee. But I do want to say a few words about several matters in which the Legion is interested. In the Legion brief which arrived in our mail boxes yesterday evening there is the suggestion of $140 per month for married persons, and that is a good objective for us all. In so far as the ceilings are concerned, which is a matter in which I have been interested for quite a number of years, I am sorry that the government has not seen fit to accept the representations of its former colleagues in the house and in the

veterans affairs committee and raise the single veteran's ceiling to $1,200 and the married to $2,000. However, we are happy to see the ceiling raised to the extent it is.

I was particularly glad to note when the minister gave his explanation that he indicated that, as was the practice in the past, casual earnings would not be included in finding the total ceiling. The Legion has asked for that, and has requested an exemption of $9,000 for the veteran's equity in his house. The bill provides for $8,000. I do think the government could have gone that extra $1,000. I do not know why they stopped at $8,000 and did not provide for a $9,000 equity in a house. However there again I was very glad to hear the explanation from the minister that the $8,000 is not necessarily the real value of the house but that it represents either the veteran's equity in the house or the assessed value and I think it will be of great benefit to many veterans in this country.

There is one group in Canada to which I was sorry thought had not been given when these amendments were being considered and that is our merchant seamen. In that respect I want to read briefly from a most recent brief because I think it puts the case very well indeed for the merchant seamen. Consideration of this group has come up before the veterans affairs committee on a number of occasions in past years and there are many people in this country who fail to realize the service that many of these men rendered to Canada during the war. However, because they served in the merchant service, with the exception of certain rehabilitation and education credits and things of that sort, they did not receive the general benefits of the veterans charter. I am one who still believes that consideration should be given to their case and I think it is particularly appropriate that consideration be given in the first instance to an amendment to this act. On that account I will read from page 28 of the brief presented to the Prime Minister of Canada and the cabinet by the Canadian Legion of the British Empire Service League in November 1957 as follows:

> Earlier representations for veterans' benefits for merchant seamen have always been primarily concerned with rehabilitation benefits such as re-establishment credits, educational training, etc., rather than with war veterans allowance. We believe, bearing in mind the desperate situation of some of these men who had excellent war service both on the high seas and, in some instances, on the landing beaches, that at this time the arguments advanced against providing any benefits, namely, that they receive more pay than members of the armed forces, might be considered balanced out against the rehabilitation benefits that the other veterans receive. We believe that these veterans should be granted war veterans allowance so that the country for whom they ran great risks in time of war might not leave them and their families in dire poverty when they are no longer able to provide for themselves.

I heartily agree with the representations of the Canadian Legion in this respect. The brief goes on to say:

> The Canadian Legion therefore recommends that the War Veterans' Allowance Act be amended to include these veterans of the merchant navy and the T. 124 service.

I do urge the minister and the government to give further consideration to these representations of the Legion on behalf of the merchant seamen because I know personally, although their numbers are not large, there are some of these men who would benefit materially from assistance under this act.

Now I would like to say a word or two on a matter which I raised previously. I think everyone will appreciate the amendment in the bill providing for six months absence from Canada annually for the veteran in receipt of war veterans allowance. This puts him on the same basis as a person in receipt of old age security. I do however, feel that consideration should particularly be given to those veterans who find it necessary to leave Canada on account of their health. I mentioned one such case the other day but I will mention it again. I am speaking of a man who was advised by the doctor who was in charge of his case to go to Mexico because of a serious lung condition so that he might alleviate the suffering which he would have to experience for the rest of his days. This veteran had to go to Mexico and did go to Mexico and later died in Mexico, but of course was unable to receive the war veterans allowance.

I do think that if the government does not see fit to make the allowance payable to veterans who wish to go out of Canada generally it should give further consideration to the payment of an allowance to the veteran who has to leave this country on account of his health when he has a medical certificate from the medical officer of the department to this effect. I am urging this further consideration because of the tragic circumstances in cases such as the one I have mentioned and from time to time there must be quite a few such cases across the country.

I would like to bring a further matter to the attention of the minister or his parliamentary assistant, who I most sincerely congratulate. You know it is very hard to get used to looking at a person full-face when you have been looking at his profile for so many years but I am very glad he has received the appointment and I know he will do a good job. Now I want to get my amendment in.

The case I wish to bring to the attention of the parliamentary assistant to the minister is the case of a veteran who is married but owing to very unusual circumstances which I do not wish to mention here has had to live away from his wife. He has maintained her throughout the years but under the act, as it now stands, because he is not living with his spouse he will be paid war veterans allowance as a single veteran. Now I am just going to quote his letter:

> Many thanks for sending along the war veterans allowance forms. I promptly filled them out, witnessed by a J.P. and sent them off to Vancouver. They acknowledged receipt of them and a few weeks later their representative called in to see me to get a little more information. More than anything he wanted me to clarify my marital state, as I had stated on the form that I was married, but my wife had not signed the form, nor was any statement of her financial status. I explained to him that on my side of the form I had stated that I was not and had not been living with my wife for years, though I had and still am supporting her. He told me then, that that statement definitely put me into the single class, because the act clearly states that a married man must be living with his wife.

And then he goes on to say he cannot understand this discrimination and asks that something should be done about it. I mention this case as only one of several of a similar nature with which I have met during my experience as a member of the house. Here is another rather unfortunate case. As far as this man is concerned he is maintaining his wife under very unusual circumstances. He is a very fine type of old soldier, a pioneer settler who came from the old country in the early days of this century, went over in the first world war and had an exceptional military record. Just because of the present wording of the act he is not allowed to receive war veterans allowance as a married man.

I do urge the minister to give consideration to an amendment to the act whereby a veteran who has separated from his wife because of unusual circumstances, but who is still maintaining her, be allowed to receive war veterans allowance as a married person.

Now I have very little more to say at this time. I do not wish to detain the house too long since I know there are other members who have a few words to say on this very important legislation. I must say, however, that I am heartily in agreement with the increase suggested in order to bring the salaries of these officials in line with other officials of similar status and I am very pleased to see that provision included in the bill.

I also wish to draw to the attention of the parliamentary assistant that I realize that it is going to create an immense amount of work for the staff of the Department of Veterans Affairs and that a good many of them will be working overtime in order to see that the veterans and dependents concerned receive the benefits of this legislation as soon as possible. I do suggest to the minister that these good people who put in these extra hours of labour to bring these benefits to their comrades should receive every consideration around Christmas time and have their holiday extended.

One more suggestion: we are so constantly amending veterans legislation that it is almost impossible to be fully informed on the facts unless one has a consolidated copy of the act. Would the minister be able to have a consolidated edition of the War Veterans' Allowance Act published by the Queen's Printer at the first opportunity? I ask this because this is one of the acts that a member always needs to be able to pull out of his brief case and consult, together with the Pension Act, the Unemployment Insurance Act and so on. One has to carry these things about because one is so frequently asked questions regarding them, and I do want to suggest to the minister that he should make it possible for us to have a consolidated copy of the act at the first opportunity.

While this legislation only goes part of the way—I think I should be safe in saying it goes about three-quarters of the way in the direction the Legion would like to go—we are very pleased to see it placed before us at this time. The measure has our most hearty support. It will improve the living conditions of a good many of our comrades and provide benefits for a good many others who are being overlooked today, and I am sure, in general, it brings a further measure of justice to the veterans and their dependents who have served this country in the days gone by.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, we in this group also, support the principle of the bill. We recognize it is a definite step forward and that it will prove of considerable assistance to veterans as a whole. While we recognize that it does not go quite as far as we would wish, we are also aware that we cannot expect Conservative legislation to be perfect no matter how good the intention might be.

We do recognize, though, that this is a step in the right direction. The minister and his parliamentary assistant have long been members of the committee on veterans affairs and have from time to time been outspoken on matters dealt with by this particular legislation. They have said a great deal in the past and many of their utterances have been

quoted to them already; for that reason it is not my intention to dwell too much on that aspect of the debate.

I may say, Mr. Speaker, that I was somewhat disappointed in the opening remarks made by the minister, for I felt he might have taken the opportunity to give us a great deal more information than he did, information which might have proven very useful in our debate today. Certainly, if it had done nothing else, it might have shortened the amount of discussion on second reading, because so many hon. members who spoke yesterday were in complete darkness as to exactly what the bill contained, with the result that what they had to say yesterday, or part of it at least, will probably be repeated today. This absence of information with regard to the exact changes brought about in the bill is going to cause some hon. members to spend considerable time repeating some of the things which have been said before.

It is unfortunate that there is no standing committee on veterans affairs. I listened carefully to what the minister said last evening regarding his continued interest in the establishment of such a standing committee —I see his parliamentary assistant nodding assent, which means, of course, that he, too, is interested in it—I also recall the minister saying that we were dealing this session with unfinished business and that there was therefore no time to go ahead and set up this particular committee. Well, that may be true.

The hon. member for Rosthern (Mr. Tucker) speaking a few moments ago said that when his party was in power they invariably referred legislation of this kind to such a committee. Then, of course, he had to qualify that in the usual Liberal fashion by adding that there was no time to follow this practice before the last election. I can appreciate both points of view but if there were a standing committee on veterans affairs, as members of all parties have urged from time to time, we should not be facing this particular problem at the present time and the bill would be sent forward to receive more careful consideration than it will be given in present circumstances.

I was pleased to hear the hon. member for Kootenay West (Mr. Herridge) make the remarks he did, and I was glad that his party will continue to be a non-partisan group with regard to such questions as this. My experience has been—and I am sure it has also been the experience of other hon. members—that this committee on veterans affairs has never been partisan in a political sense. We have tried to keep politics out of our discussions and secure for the veteran the type of legislation we thought was best for him. I am looking forward to an early spring session in which one of the first pieces of legislation to be brought forward will concern the setting up of a standing committee on veterans affairs for which all of us have clamoured for so many years.

In respect to the increases in the allowances, the fact that the government has seen fit to introduce legislation which would increase a single veterans allowance to $70 as requested in the Legion's brief is commendable. However, I note that the bill does not comply with the request that the married allowance should be increased to $140 despite the fact that the Legion, in presenting its case in writing—it could not, of course, be heard—showed us that the wages level had increased since 1955 from 141.7, and 149.4 in 1956, to 156.9 in 1957, a total rise of some 15.2 points in the wage index. This, in my view, indicates that if a wage earner in this country requires an increase relative to the wage received in 1955 amounting to such a figure, then certainly the war veterans might have expected that in all instances the increase awarded to them would be comparable.

As the hon. member for Acadia (Mr. Quelch) pointed out yesterday when speaking on the resolution, the question of the permissive ceiling as between the disability pensioner and the war veteran who is able to work is causing us some concern. There is considerable discrimination in the provisions made in the two cases. However, considerable attention has been drawn to the fact that certain cabinet ministers have from time to time indicated their desire to bring the permissive ceiling on allowable earnings to $1,200 and $2,000, and there were many instances during the debate in which members referred to the record.

In this particular case may I refer the minister to page 5867 of *Hansard* for July 12 of last year, in which the hon. member for Vancouver-Quadra (Mr. Green), now Minister of Public Works had this to say:

> The Department of Finance in its wisdom has decided that $2,000 income should be exempt from taxation; in other words, that the family man requires that amount to exist and that he should not pay any tax on it. I suggest that the same ruling should be made with regard to the married recipient of war veterans allowance. It is a very good argument in support of raising this ceiling to the sum of $2,000 per year.

It is my recollection, Mr. Speaker, as I am sure it is the recollection of every member of that committee, that it was not just the present Minister of Public Works (Mr. Green), or the Prime Minister (Mr. Diefenbaker) or the Minister of Veterans Affairs (Mr. Brooks) who have from time to time

urged this upon the government, but it was the case and it is the case today that the Canadian Legion in its briefs is continuing to urge this very same stand.

It is also true that a number of hon. members who are today backbenchers on the government side called for action in this regard. The hon. member for Rosthern referred to the utterances of the Prime Minister made on July 12, 1956.

Mr. McIvor: It is a good day.

Mr. Hahn: As recorded at page 5897 of *Hansard* of that date the Prime Minister called for this very same thing and, being the type of spokesman he is, he did it in no uncertain terms. We all recognize his straightforward method of speaking. He did not just say, "These are half-way measures and there is a possibility that these things should be done," but rather he called upon the government in unequivocal terms to take action in this regard. It was a demand made on the government of that day that the ceiling should be raised to $1,200 in the case of a single veteran and $2,000 in the case of a married veteran. I, too, am one of those who have spoken from time to time on this same subject as did members of the C.C.F. and other members in the Conservative group. I see no reason for the slight increase which is indicated in the schedule attached to the bill.

However, of even greater concern to me than the limit of $1,200 and $2,000 set on this matter is the discrimination we impose upon the veteran who is disabled and unable to find work because of his condition as compared with the receipts of the veteran who is able to work. Yesterday the hon. member for Acadia (Mr. Quelch) drew to the attention of the house the fact that there was a difference in the amount. We did not know what the new changes would be until we heard what the minister had to say in introducing the bill but they do not do anything toward correcting this inequitable state of affairs.

I have prepared a comparative chart to indicate what the situation actually is and with your permission I would like to refer to it. A single veteran will receive a monthly rate of $840 under the new scale and will be permitted casual earnings of $600—that is if he can find a job that will pay him at the rate of $50 a month—and he has allowable earnings of up to $240 which would give him a total of $1,680. A single disability pensioner, on the other hand, if we were to assume his disability would be one based on the same rate as casual earnings of, let us say $50 a month, would be in receipt of $600. Under the terms of the bill before us he would be in receipt of a war veterans allowance of $480 which would give him a maximum total annual income of $1,080. In other words, we have a situation where a disabled veteran who probably requires additional money because he has to take taxis, hire assistance in doing his chores, pay for medicine and so on is allowed a maximum annual income of only $1,080 while the veteran who is capable of working is permitted to receive the full amount of the monthly rate for casual earnings as well as his allowance which would give him an income of $1,680, or a difference of $600, the amount of the casual earnings.

In the case of a married veteran the monthly rate is $120 which on the basis of 12 months would give him $1,440 a year. He is permitted casual earnings of $600 and with allowable earnings of $25 on the basis of 12 months he would have $300, or a total annual income of $2,340. In the case of the married disability pensioner in receipt of a pension equal to casual earnings he would receive $600 and with the war veterans allowance of $95 per month he would receive $1,140 or a total annual income of $1,740. He is in an equally unfortunate position as a single disability pensioner in that he will receive $600 less than an individual who is capable of working.

I am fully aware that the $600 represents the actual earnings of the individual who is able to work but I do not see why we should penalize the disabled veteran who through no fault of his own cannot take an occupation. He has probably put in the same length of service as his more fortunate fellow veteran but we have permitted the other chap who is capable of accepting employment an additional $600 a year. If the disability pensioner has an annuity it is charged against his war veterans allowance. The annuitant on a disability pension and the one eligible for war veterans allowance both are penalized in the same way.

The disability pensioner needs extras and requires the $600 the casual earner is permitted to earn. I would suggest that the act be changed and I would hope that the government will look forward to changing it in another year to make it possible for a disability pensioner in receipt of war veterans allowance to receive the equivalent of $50 per month as additional assistance to help him for he is very much in need.

The extension of the act to include veterans who had service in the United Kingdom only and who were not overseas is a welcome change. We in this group accept it as a forward step, one that has been called for over

a period of years by the veterans and we are quite prepared to support it.

The question of the extension of the benefits of the act to widows whose husbands died before completing 20 years' residence is one that has interested many of us a great deal in years gone by and we have proposed that there should be a change to bring more of these women into the group that would be eligible for receipt of the allowance. We are particularly pleased to see this change.

Early this year I made an inquiry of the ministry which appeared as question 2 on the order paper in which I asked how many widows of imperial war veterans had been residents in Canada for more than ten years but whose husbands predeceased them before they became eligible for the war veterans allowance as provided for under the War Veterans' Allowance Act. I was advised that an estimated 8,600 widows were in this position. I take it that at least those 8,600 widows will be in receipt of this addition. Before the wives of imperial war veterans organization were represented by the Canadian Legion they presented briefs on this question from time to time pointing out the desirability of making a change in the act.

The deletion of clause 8 will prove advantageous and desirable in so far as assistance to orphans is concerned.

Then there is the matter of the increase in the equity in the home from $6,000 to $8,000 at today's assessed values. It is true the legion asked first for $9,000. Probably this is one of the points on which the government has not gone quite so far as we should like to see them go.

I listened to the hon. member for Kootenay West very closely when he spoke on widows allowances being extended. I certainly agree that there are instances such as he mentioned, which are unfortunate ones. I am pleased to see that a change has been made in the legislation in that respect.

There is the question that was dealt with by one of the Newfoundland members, namely the merchant navy, which gives me some concern. As I said earlier, I have been a member of special committees on veterans affairs for some years past but never during the time that I was a member did we ever have representations from the merchant navy in respect of this particular problem. If there is no other reason, that is reason enough to warrant the setting up of this committee and making it permanent so that we can call in witnesses, as the minister has told us would have to be done, in order to get their point of view to enable us to familiarize ourselves more particularly with the problems involved. I am told that the merchant navy did make direct representation some years ago but no action was taken at that time and since then we have heard nothing from them. However, the fact that the question is raised in the Legion brief indicates that it is causing the Legion members some concern. I would say it is a problem that requires some consideration. The only way in which we can give it proper consideration is to go ahead with the job, set up the committee and give it the attention that it should have at that time. We can determine then what should be done to assist those people, if anything.

I have nothing further to say, Mr. Speaker, other than to repeat, as I indicated earlier, that we are very happy to see these progressive and forward steps being taken and I trust we shall continue to see the progression that will finally give the Legion members the type of legislation that they have the right to expect from this government.

(Translation):

Mr. Lucien Cardin (Richelieu-Vercheres): Mr. Speaker, I have no wish to delay consideration of this bill unduly, but, having had the privilege of sitting on the standing committee on veterans affairs, I believe I should congratulate the Minister of Veterans Affairs (Mr. Brooks) and his parliamentary assistant (Mr. Dinsdale) on their accession to the exalted position they now hold.

No one who heard the minister at the time he sat on the committee and who takes into account his statement in the house can deny that he has been giving close attention to veterans' problems. He was familiar with all details of the legislation applying to them and made a great many suggestions to the government of the day to improve the lot of veterans. We can therefore rightfully expect that the minister, now that he happens to be sitting on the opposite side of the house, will very shortly put into practice all the suggestions he put forward in the committee as well as in the house.

All veterans, those in my constituency, or elsewhere in the province of Quebec, or anywhere in Canada, will certainly be glad of the financial assistance provided by this bill. I must say, speaking as a veteran myself, that I will gladly vote for this legislation. However, we should not lose sight of the fact that the proposal now under review is, after all, only an amendment to existing legislation and that even before we were called upon to consider this particular bill, our veterans' legislation was considered to be among the most complete and adequate provisions of this

type since it was such as to satisfy a great many of the needs of our veterans. I am not prepared to claim that it was perfect. No legislation can be that. I will even go so far as to say that there is still a great deal to be done to improve the lot of our veterans. But on the other hand we have every right to expect that the minister and his parliamentary assistant will very shortly see to it that a good many of their past suggestions are now to be put into effect.

I was happy to hear the member from Rosthern (Mr. Tucker) put before the house the views expressed by the Legion, both orally and in writing.

They show that while veterans accept the proposed legislation and the promises made by this government, they saw fit to express their appreciation and gratitude to the former government. The majority of our people will not be lulled nor blinded by details, and we know that they will not forget all that was done in the past with regard to this legislation. However, there is always room for improvement.

We should not overlook the fact that, if the government is now in a position to increase the allowances, it is because of the former government's unremitting endeavours, over the years, to improve this act and provide a maximum of security for our veterans.

In my opinion, it must not be forgotten that this legislation rests on foundations of which we Liberals have reason to be proud.

In conclusion, Mr. Speaker, I would call the attention of the house to the fact that one of the most controversial questions in the past has been that of the setting up of a standing committee of veterans affairs and that the hon. minister himself was among the most ardent supporters of that proposition. Well, Mr. Speaker, you cannot have it both ways. What was good before June 10 remains so and I contend that the hon. minister, to be consistent, should at the very first opportunity set up that standing committee so that all who are interested in discussing veterans problems may do so. I am sure that if we had had the opportunity to hear the representatives of veterans organizations, this bill would certainly be much better. I therefore hope that in the near future the hon. minister will set up that standing committee on veterans affairs.

(*Text*):

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, the amendment to the War Veterans' Allowance Act will I am sure be well received by all veterans organizations, all veterans and the public generally. I do not wish to delay second reading of the bill by going into the provisions or by any lengthy discussion. The purpose of the bill was concisely and clearly stated by the minister when speaking on the motion for second reading. I felt rather sorry that all members were not seated in the house at the time because I know that all members are interested in this subject. I know the minister's words will be read in *Hansard* fully and completely by hon. members.

I should like to say something in passing about the Canadian Legion. I realize that there are other veterans organizations representing the interests of veterans, but since its beginning the Legion has represented to the government of the day the feelings of veterans generally as to what legislation was required in order to deal fairly with everybody. Injustices and difficulties do come up from time to time, and as long as the department and the government receive the Legion briefs I am sure the Legion will continue to present them.

A brief was presented in November, 1956, and I believe this bill brings into effect many of the recommendations then made. As one hon. member has just stated, a brief was also received in the mail today by members which brings up to date many of the problems. In its latest brief the Legion has even discussed the problems raised by the launching into outer space of the Russian satellites.

In commending the minister on bringing forward this legislation, which has the effect of complying with the promises made, I want to say that I know that the present amendments will fill the immediate and pressing need. However, I urge the minister to continue to give consideration to all inequalities and difficulties that now exist and that will be coming up from time to time in connection with the war veterans allowance.

Mr. Dinsdale: Mr. Speaker, I should like to warn the house that I am representing the minister and that if I speak now—

Mr. Speaker: Are there any other members who wish to speak?

Mr. C. F. Kennedy (Colchester-Hants): Mr. Speaker, on this, the first occasion that I have risen in the house, I assure you that I shall be very brief for two good reasons. The first is that the speakers who have preceded me have in no way indicated that any of them will do anything other than support the bill. Second, I would not want

it said of me that I had held up the progress of the bill through the house, because I am extremely anxious that its benefits reach the veterans concerned.

It is most appropriate at this time that we should be considering this type of legislation on the very eve of the 39th anniversary of the day on which these old veterans, then young men, brought to a successful conclusion the first world war. In so far as the bill is concerned, I am not going to comment on it except to note that in most respects it implements a great deal—

THE ROYAL ASSENT

A message was delivered by Major C. R. Lamoureux, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act to provide for advance payments for prairie grain prior to delivery thereof.
An act to amend the Old Age Security Act.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

WAR VETERANS' ALLOWANCE ACT

AMENDMENTS RESPECTING ALLOWANCES, INCOME, COVERAGE, ETC.

The house resumed consideration of the motion of Mr. Brooks for the second reading of Bill No. 28, to amend the War Veterans' Allowance Act.

Mr. C. F. Kennedy (Colchester-Hants): Mr. Speaker, this bill serves two purposes, firstly it closes a great many of the gaps in the war veterans legislation, and secondly it extends in at least one way—in regard to the war veterans who served in England—the number of veterans who will receive some of these benefits. It is a recognized fact that the veterans of the first world war aged rather prematurely; one has only to refer to the "last post column" in the magazine known as *The Legionary* where by descriptions, numbers, etc. one can see designated the first world war veterans who have passed on. In many cases their ages are listed.

[Mr. Kennedy.]

It would seem that the maximum allotted life span for veterans of the first world war is three score years. We must recognize that even the youngest veteran of the first world war is approaching that age and therefore we must suppose that these veterans will be a fast diminishing group.

This legislation provides for additional aid to those who spent years in England. I cannot speak for the conditions in that country during the first war as I was not there, but in the second war it appeared to me—I am now speaking for the soldiers—that the strain was perhaps as great as it was in many areas of action. It was not uncommon in England to look around to find your circle of close friends greying very rapidly, even in a matter of a few months. I suggest even under the strain in our House of Commons there are some who have not become grey haired yet. These troops to arrive in England, which was really the goal set for those who joined the army—to get overseas as they called it—first of all had to undergo certain hazards. Those hazards were about the same in both wars; submarine infested waters to cross and so on. In most periods of the last war it was not much less hazardous than during the great war. When they joined and went overseas some of them were married and left families behind, but all of them left loved ones behind and perhaps most of them their business interests. There was naturally a certain amount of strain upon them as they put in the months or years during which they were detached from the life to which they were accustomed.

There is another aspect of this matter. When these men returned, having been torn loose from familiar things, they found themselves in their later years, having been subject to many perils, in many cases more or less broken in health, because in the first war medical science was not advanced to the state it has reached in the last 10 or 15 years. It was not until their later years that they could settle down to their own family life. Then we find the veteran, late in life with his family at the stage where they needed a higher education. This same veteran had long been taught that the next generation must be well educated and here he was in perhaps the poorest financial shape of his whole lifetime and having to deal with this problem. He was therefore in very bad shape to attend to providing for his old age.

I do not intend to say any more on this subject but I do want us all to remember that in this generation we have come into a great inheritance in this country. This inheritance came to us fairly easily but those

who preceded us have not found things so easy. I think this thought was best expressed in the words of that great statesman when he said that certain things were attained through blood, sweat and tears. Now in my opinion we have gained our inheritance through the blood of our warriors, the sweat of our pioneers and the tears of those who have had to undergo unnecessary hardships.

In listening to the debate yesterday I caught the phrase, "so long as we have veterans we will have problems." I think this is a significant phrase and I would put it this way: Many of us have no problems compared to the problems of these older veterans. Furthermore, if we did not have these veterans we would have many problems without the power to resolve them. We must also remember that the men in the first war brought this country to a state of nationhood. Many members will recall that years ago the prime minister of the day in attendance at The Hague was asked "Whom do you represent?" He answered "I represent 60,000 dead men." That was the beginning of Canada's nationhood.

In conclusion we should remember that all these veterans gave years of their lives willingly and those who took part in these wars knew not where they were going. No matter in what small way they served, to them it was their greatest hour.

While I am on my feet I should like to refer to a matter that has recently appeared in the press. I am pleased to say that a dear lady named Mrs. MacFarlane who comes from my home town of Truro has been named to lay a wreath as the representative of the Silver Cross mothers of Canada.

There is no person I know who is better qualified to do this. Mrs. MacFarlane lost her husband and three sons in two world wars, and I hope as people pause to remember our glorious dead they will also find a place in their hearts to keep in mind the living.

Mr. T. J. Irwin (Burnaby-Richmond): Mr. Speaker, I am pleased to note that the minister is trying to live up to all the nice things that have been said about him. Since I came to this house I have not had the pleasure of making his acquaintance, but I have heard much of him in the past 10 years or so, and I realize that we have in this minister a man well versed in veterans affairs and, moreover, a man who is entirely sympathetic to the veterans cause.

I will repeat what I said the other day, that I would rather dream of the future than dwell on the history of the past. Thus it is that I am more interested in the minister's proposals and their implications than in whatever he is alleged to have said in the past. After all, Mr. Speaker, we are told that by their fruits ye shall know them, and as time passes we shall find out whether the present minister is going to live up to all the nice things that have been said about him, and we sincerely hope that he shall continue to have the confidence of this house in so far as the cause of the veterans is concerned.

We have Bill No. 28 before us now, and it is a step in the right direction. I say this because it represents an injection of purchasing power, however small, into the hands of consumers, and Canada will benefit as a result. But Canada would have benefited to a much greater extent had the steps taken under this bill been longer and more generous.

I am still unable to comprehend why old age security should not be available to veterans in addition to war veterans allowance. Old age security is given by Canada to all of her citizens who have reached the age of 70, and is a recognition of their service to Canada based merely on the fact that they have lived in Canada for at least 10 years. Ex-servicemen and women have rendered a service to their country which is beyond normal. Their need has been recognized under this act now before us. This is an income predicated on an extraordinary service and in consequence it should not be utilized as a means to debar its recipients from receiving a dividend payable for a normal contribution to the welfare of our country.

I would point out to the minister that many persons eligible under this amendment to the act are already in receipt of old age assistance or old age security benefits. This passes responsibility to those provinces which are paying supplementary bonuses. This is a point arising in connection with this bill which has not heretofore been commented on. I am surprised that this should be the case because when this amendment comes into force those provinces which are paying supplementary pensions in respect of old age assistance and security are going to find that the dominion government is passing the buck in respect to those for whom the dominion government should be solely responsible.

The provinces of B.C. and Alberta, in particular, pay fairly high supplements. A war veteran now eligible will receive $840 under this act at the present time. If he cannot earn any additional income, that is all a single veteran will get. That is it, period—$840. Under the Old Age Assistance Act he will be eligible for $660 plus the provincial bonus, which in the case of British Columbia would raise his income to $900,

and in the case of Alberta to $840. But if the dominion government does not agree to transfer, those provinces are carrying a load which is rightly that of the dominion government.

I think the house will agree that the provinces at the present time are carrying all the load with respect to welfare that they can bear. British Columbia will be paying in old age assistance, $40 a month and Alberta $40 a month, because the provincial governments pay one-half of the old age assistance, which is $27.50, and they also pay a $20 bonus, which is, $47.50 out of the $55 which the old age assistance pensioner is getting. It would mean an income for a person who is eligible for an allowance under the war veterans allowance act of $900 as against $840 he would get under this act. The same applies in the case of Alberta except for the fact that it is $5 less.

Earlier this year, speaking in this chamber, I quoted the case of an elderly man—he is, indeed, elderly, being 92 years of age—who served in the first world war. He is in receipt of old age security benefit amounting to $55 plus an Alberta bonus of $15, making a total of $840. So the Alberta government is paying $180 a year in respect of a man of this character. The federal government says: "you will have to survive on $660 old age assistance for a year". Well, the Alberta and British Columbia governments say: "we know quite well you cannot do it, so we will supplement your income".

I am glad that the permissive income has been raised, although I see no valid reason why it should not have been set at the $1,200 and $2,000 limits suggested by the Canadian Legion. Canada has nothing to lose and everything to gain by giving the veterans the right to an income of that kind. I draw the attention of the house to the fact that after these old people who have given their services to the country have reached a certain age, if they have something they can do they would rather go ahead and do it than sit idly doing nothing; they are much happier when they are occupied, irrespective of whatever added income they may derive. I would suggest that here again the minister take this matter under careful consideration and when the next revision of this act takes place be sure that the permissive income is raised to at least $1,200 for the single veteran and $2,400 for the married veteran.

The raises granted represent an improvement for the recipient of war veterans allowance who still has earning capacity, but what about those whose earning capacity has deteriorated to the point where they are unable to accept employment? The war of 1914-18 has been over for 40 years. Thousands of men and women who participated in that battle and who have either partial pensions, which are deductible as income, or no pensions at all are in dire straits because of past neglect of their need and the failure of the government to introduce corrective amendments. While the present amendments represent a step in the right direction they cannot rectify that situation nor give the recipients a reasonable chance to enjoy the country for which they offered their lives. The unfortunate factor is that those who have a small pension, whether service or civil, will not benefit to the extent of those without pension.

One notable feature of these amendments is that regarding those who never left Great Britain during world war I. This was an injustice that should never have been perpetrated and the present government is to be congratulated for at least partially removing it. I could never understand why a veteran was required to have had one year's service in Great Britain. The basic fact must be remembered that these men and women offered their services and put no strings on their offer in terms of stating where they were going. There were no reservations attached to their offer of service.

Mr. MacRae: What about conscripts?

Mr. Irwin: I am not talking about conscripts but even in their case they had no alternative; they had to go where they were sent. If they were taken to England and then sent back then by reason of this they should be much more in line for receiving the war veterans allowance than the men who went as volunteers because the conscripts had no option at all. The service of the veterans was given without reservation and because Canada accepted it there should be no reservations in providing these men with an adequate standard of living in their home country.

I do not see any reference in the present amendments to widows whose husbands could have been eligible for war veterans allowance had they applied for it but preferred to go it alone. These women are now in serious plight and the Legion's suggestion as outlined in its latest brief should be accepted. I am referring now to those veterans who could have been eligible for the allowance had they applied for it but who chose not to do so, preferring to go their own way. The trouble has been that after their death their wives have not been able to make any claim under the act. The Legion has asked that the widows of allied ex-servicemen be granted the allowance in cases where the husband died before completing 20 years' residence in Canada. It also recommends that where all other requirements are met the war

veterans allowance board be empowered to consider as eligible widows who would be qualified had the veteran made application during his lifetime. I do not think this house will regard that as being an unreasonable request.

The deletion of section 8 of the War Veteran's Allowance Act has been long overdue and is more than welcome as is the raising of the equity in a home from $6,000 to $8,000. I sincerely hope that in cases where a veteran actually owns his home and does not merely have an equity in it the assessed value will be taken and not the market value.

An hon. Member: That is what it is.

Mr. Irwin: I believe that former merchant seamen and T-124 agreement veterans should come under the provision of this act. They are in the same category as the men who never got out of Britain. They offered their services with no strings attached and I fail to see why they should suffer now.

Mr. Speaker, I would remind hon. members of this house of the immortal words of Laurence Binyon:

> They shall grow not old, as we that are left grow old:
> Age shall not weary them, nor the years condem.
> At the going down of the sun and in the morning
> We will remember them.

At this time, on the eve of Remembrance Day, let us remember them by adequately looking after those who fought and served in that noble company.

Mr. E. J. Broome (Vancouver South): Mr. Speaker, I am glad I received the applause hon. members have just accorded me before I started speaking rather than after I had concluded. I would like first of all to congratulate the minister on this most excellent legislation. I hope his head has not been turned by the compliments he has been receiving from all quarters of this house. The minister has moved with the utmost of speed to correct manifest injustice and, in fact, certain cases of rank discrimination for which he deserves the thanks of all veterans and all those who are concerned with the interests of veterans.

This legislation is to a great degree consistent with the brief of the Canadian Legion which hon. members received today, a brief which by its thoroughness and its temperate and considered language should recommend itself for study to all hon. members of this house.

I am pleased that we have been assured that at the next session a standing committee on veterans affairs will be established because I believe there must be time provided to consider this matter and to hear from interested bodies before the next amendment to this legislation is brought forward.

I was keenly interested in the remarks made by the previous speaker, the hon. member for Burnaby-Richmond (Mr. Irwin). Perhaps this is to be expected because he comes from a coastal point and I am from a port city and we who are close to the sea have the interests of our merchant seamen very much at heart.

I would like for the benefit of this house to read an excerpt taken from the *The Legionary* of May, 1942, which was written by the Hon. P. J. Cardin who was then minister of transport:

> The courage and devotion to duty of the merchant seaman has been officially recognized and the merchant marine—or the merchant navy as it is now called by gracious consent of His Majesty the King—has now been accorded the distinction of becoming known as the fourth arm of the fighting forces. In an order-in-council passed last year, authorizing the formation of a wartime branch under a director of merchant seamen and coming under my jurisdiction as minister of transport, this fact is written in the official records as follows:
> "The merchant marine, on which our seaborne commerce depends, is under present conditions virtually an arm of our fighting services, and the provision of merchant seamen, their training, care and protection is essential to the proper conduct of the war, and vitally necessary to the keeping open of the sea lanes on which the successful outcome of the present conflict so largely depends."

As I said, this was written in 1942 and we are now in 1957. I managed to dig up the case record of one merchant seaman. His service included action at Gibraltar, Naples, Southern France, Bizerte, Toulon and Marseilles and while aboard H.M.R.T. *Athlete* from July 10, 1944 to January 20, 1945 his ship took part in the assault landings in the south of France, being employed in towing of assault ships and craft off the beaches.

Before I left to come to Ottawa, Mr. Speaker, I visited one of my constituents who had served in the North sea on a drifter. He was honourably discharged; he was unfit for further service because of rather severe privation he had suffered when his ship was sunk. He became a fisherman and began to lose the sight of one eye. His skipper would not let him go to sea again because he was a danger to himself and to his ship. When I saw him he had been unemployed for a year.

I was told of the case of another man who walked 40 miles in Newfoundland to enlist but he had tuberculosis of the spine. Therefore, he went to sea as a merchant seaman. His ship was sunk and he was the only small-boat sailor on board. For 22 hours he handled the tiller. When they were picked up by a United States ship he complained of pains in his back and he has suffered from disability caused by this experience.

The merchant seaman did not get any re-establishment grants or any gratuities. In many instances he served under naval officers. He took the same chances as the men in the regular services and I sincerely hope, sir, that when the standing committee is set up the consideration of the status of merchant seamen will be one of the first items that the committee will tackle.

Mr. H. J. Murphy (Westmorland): Mr. Speaker, I want to take part very briefly in this debate to express my endorsation of this legislation at this time.

Firstly, I would like to congratulate the Minister of Veterans Affairs (Mr. Brooks) on his elevation to that post. Since he is a New Brunswicker we naturally expect him to turn in an excellent job as minister of that department. I say this to the minister because it was not always thus between the member for Westmorland and the member for Royal. A short time ago I read the life of Sir Leonard Tilley and I found that the last duel fought in the province of New Brunswick was fought between the member for Westmorland and the member for Queens, which is now Royal. We have come a long way since that time.

Mr. Brooks: Who won?

Mr. Murphy (Westmorland): Since Sir Leonard Tilley was involved I will not give the end of the duel.

I have always been interested in this legislation and especially in the war veterans allowance. When I practised law in Moncton after the war, I was interviewed by a field man of the Department of Veterans Affairs and asked to take on the administration of four or five cheques for war veterans receiving war veterans allowance who needed some assistance in handling their cheques so that they would receive the necessities of life.

Although I am not a recipient of war veterans allowance, of course, I know how these men feel and I know how it is to live on the pension paid. As I said, it was my duty to see that they received the necessities of life. At that time the department allowed $120 a year for clothing and I can tell you that it was difficult for me to see that they were well-clothed for that amount.

This is a step in the right direction. I know that the Minister of Veterans Affairs has always taken an interest in this matter. I served with him on the veterans affairs committee during the last parliament. On that committee, in our discussions here on these matters as well as outside the house, I was happy to observe that at all times these matters remained above politics and regardless of our party affiliations the life of the veteran came first. As I said at the beginning, I only wish to add my voice in behalf of this measure.

Mr. G. H. Castleden (Yorkton): Mr. Speaker, my words will be very few. I just wish to state that I think this legislation will be welcomed at least as a partial remedy for some of the serious injustices which have marked the administration of veterans affairs in Canada for a number of years. Every branch of the Legion certainly in my constituency has several cases of real injustice, some cases of hardship and actual need. These cases have been growing because of the increased cost of living. The pension which the soldier received seemed adequate at the time he received it but it constantly buys less and less as inflation mounts. This is part of the series of legislation which is very badly needed, legislation which has been neglected, and I am sure that everybody will welcome, every branch of the Legion will welcome the minister's statement that it is his intention to set up a standing committee of this house in which all matters pertaining to veterans affairs can be dealt with, with representation from all parts of the house. I hope that as a result of the recommendations of that committee action will be obtained.

I am sure it is true that veterans, legionnaires and legion groups in the past have constantly passed resolutions; the provincial commands in convention and the dominion command in convention have passed resolutions and have often wondered why it was that so many of the actual needs of the veterans were neglected, passed over and glossed over. They would repeat and repeat year after year their requests that something be done with regard to this branch of war veterans allowances, this branch of the pension, this regulation against the granting of pensions to soldiers who are outside of the dominion, the matter of time which the person concerned was living in the country to qualify for a pension, and so on, and now we find that before this parliament is one month old many of the things which the Legion has asked for for years are going through; they are getting them.

If you make a study of the history of such legislation and the rapidity with which it is passed through this house you will find that this kind of thing has happened on only very few occasions in Canadian history and on every one of the occasions it was when the government was anxious to do something for the people; they were going to make a call on the people in a short time to ask for an endorsation.

I think there is a lesson to be learned here. I think this government should be

given credit for what it has done. I think the veterans should be thankful for what they are receiving, as I am sure they will be. I also think they should remember that far too often, in the administration of government in Canada, these people are forgotten and neglected when the government sits in the house with a large majority. I well remember the hon. member for Bow River (Mr. Johnston) back in the 1940's when we were fighting battles to get some justice for men under the soldiers settlement board, and the difficulty with which we were confronted in getting anything done. What a change we have today. What an improvement it is. There are many veterans in Canada today who served with the Canadian forces in the first war and who do not qualify for a pension but who are today feeling the effects of their service. The opportunity to take care of their needs will not last for too many years more. I trust that the voice of their representatives will be heard in this house and that action will be taken. We are going to support this legislation. We hope it gets through as quickly as possible.

Mr. W. G. Beech (York South): Mr. Speaker, the introduction of the bill covering improvements in the veterans legislation indicates to me at least that the opinions expressed by the members of the government whilst in opposition have not changed now that they form the government. It is true that the bills do not go as far as we should have liked to see them go. However, in the bills there is nothing which indicates that this is the last thinking on the part of the government. This is an emergency session called to get these extra increases as soon as possible into the hands of the recipients who need them so badly. I am convinced that the government has been as generous as possible, in the absence of a budget, and that all the legislation introduced this session will be reviewed at the next session. We have been assured by the Minister of Veterans Affairs (Mr. Brooks) that at that time a standing committee will be set up with, we hope, full powers to delve into all phases of the Pension Act, the War Veterans' Allowance Act and all other matters pertaining to the veterans charter.

We have in Canada the finest veterans legislation in the world but I do not think it was the intention of parliament, whilst setting aside this legislation, to build a fence around that act so that the Canadian Legion must spend $200,000 a year, to say nothing of what is spent by other organizations, in helping veterans to get those things that parliament has set aside as a matter of right.

The success of the service bureau offices of the Canadian Legion in getting pensions for hundreds of veterans whose applications had been refused by the pension board indicates the need for a more liberal interpretation in the consideration of these applications. The benefit of the doubt clause was inserted in the Pension Act in order to permit some latitude to the pension commission, but it has been a source of constant complaint on behalf of veterans organizations that that clause is being in large measure ignored. This and many other matters will be discussed, I am sure, before the standing committee which will be set up at the next session.

In conclusion, Mr. Speaker, I have one other observation to make and it is this. We have upon the statute books of this country an act setting aside November 11 as Remembrance Day for the honouring and remembering of thousands of veterans who died for those things which we as Canadians hold dear and cherish. I am informed that it is the practice of this house to sit on Remembrance Day. I am wondering whether this practice of "business as usual" is giving the right encouragement to the proper observance by the citizens of Canada of this most sacred and important day in the history of Canada.

Mr. W. G. Dinsdale (Parliamentary Assistant to the Minister of Veterans Affairs): Mr. Speaker—

Mr. Speaker: I recognize the parliamentary assistant to the Minister of Veterans Affairs. I must inform the house that if the minister were to speak now, as he was the mover of this motion, he would close the debate. I understand that the parliamentary assistant in the department is speaking in the minister's place with his authority. The rules do not appear to prescribe what consequence that has or whether it is permissible. However, I understand that the house previously has accepted the parliamentary assistant in similar circumstances and of course it is the privilege of the house to accept that position tonight.

Some hon. Members: Agreed.

Mr. E. G. Hansell (Macleod): Mr. Speaker, I have no objection to the parliamentary assistant speaking now but I do not believe we should let it be a precedent for establishing a rule that a parliamentary assistant can close a debate when he speaks. If he wishes to speak and if he is the last speaker, then that is all right, but I do not believe that the

rules would permit a parliamentary assistant to close the debate by virtue of the fact that he is speaking for the minister. I think you, Mr. Speaker, perhaps had your book open at the relevant page. In the Standing Orders of the House of Commons that we have here, at page 25 it is specifically stated as follows:

(2) A reply shall be allowed to a member who has moved a substantive motion, but not to the mover of an amendment, the previous question or an instruction to a committee.

(3) In all cases Mr. Speaker shall inform the house that the reply of the mover of the original motion closes the debate.

I have no objection to the parliamentary assistant speaking now and I have no objection that he be the last speaker. However, I would object to the rule being interpreted from now on that a parliamentary assistant, by virtue of the fact that he is taking the minister's place, automatically closes the debate.

Mr. G. H. Castleden (Yorkton): I rise on a point of order, Mr. Speaker. I would agree with the hon. member that the rule should not be changed and I do not think this should be taken as a precedent for establishing a rule. But I believe it is well known in the house that the house has power to conduct its own affairs; and if by unanimous consent the house allows such a thing, such a thing could happen at such time.

Mr. Hansell: That is different.

Mr. Speaker: I raised the issue which has subsequently been spoken to by the two hon. members because I did not want to create a precedent which would necessarily be binding in the future. The house has accepted this practice in the past. There is one instance of it in the debates, at page 2918 of *Hansard* of April 18, 1955, where the parliamentary assistant rose on behalf of the minister and the Speaker informed the house that he would close the debate. I think it is preferable, as suggested by the hon. member for Macleod and the hon. member for Yorkton, that the house understand that the rule does not cover the matter exactly and that we proceed by leave of the house at this time and not by way of precedent.

Mr. W. G. Dinsdale (Parliamentary Assistant to the Minister of Veterans Affairs): Mr. Speaker, I appreciate your generosity and the generosity of the house in making it possible for me to speak at the present time. I am fully aware, I assure you, that no precedent is being established here tonight. The reason I think that the minister has given me this opportunity is because of his desire to facilitate the passage of this important piece of legislation through the house with a minimum of delay. When I expressed a desire to say a few words he suggested that might be done most opportunely in winding up the debate here this evening.

After listening to the various speakers who have made their presentations on this second reading, it is hardly necessary for me to speak at any considerable length. I am rather of the opinion expressed by my worthy friend, the hon. member for Selkirk (Mr. Bryce), who said yesterday, in a very short and terse statement typically Scottish, that it is good legislation; let us get on and get it passed. I agree with him wholeheartedly on that point. Others have since echoed the same sentiment as the hon. member for Selkirk.

Everyone has said that Canada has excellent veterans' legislation. The veterans' charter is second to none, I suppose, amongst all the countries of the world which make provision for those who have served in a special way in the various wars of this century. The reason for that, as has been stated, is that throughout the years, and particularly during the days of world war II, the veterans charter which we have and which we are amending by this legislation was designed by the veteran members of this house who had only one purpose in mind and that was to provide the best welfare program possible for their comrades.

We have had the advice, as has been mentioned, of the veterans organizations. We always acknowledge the contributions that they have made in formulating the charter. This is the first time I have spoken on these matters from this side of the house. I have spoken on these matters from the other side of the house during the past few years. I was glad that no one quoted the words I had uttered on former occasions.

Mr. Tucker: I could not quote them all.

Mr. Stick: They are not as important as all that.

Mr. Dinsdale: I do not know to what reason I should attribute that, but I have certainly not had my words thrown back at me on this occasion. However, I want to say this. Even during the five years I was a member of the opposition I always had the highest respect for those who had the responsibility for the day-to-day administration of this legislation. I refer to the officials of the department. I think again the reason the administration has been maintained on a high level is because they without exception, are veterans in their own right.

As I listened carefully to the views expressed I noted general unanimity, and even

the hon. member for Rosthern (Mr. Tucker) during the course of the resolution debate stated that this War Veterans' Allowance Act was a good act. It does the job, in most respects, that it was intended to do. I was, therefore, a little surprised this afternoon when the hon. member unlimbered a rather withering attack across the barrier with regard to the amendments that are being proposed. Others have answered the arguments for me, but I think that I should just repeat the points that have been made. I should say to the hon. member for Rosthern that it is quite impossible, as I think he will see, to rectify all the mistakes and the shortcomings of the previous administration in one short month. As a matter of fact, Mr. Speaker, we have not been sitting here one month, and we have realized that there were shortcomings in the act. There are minor points of irritation, and I have made reference to them before.

I believe the purpose of the Minister of Veterans Affairs (Mr. Brooks) at this time is to deal in a most rapid and effective way with the shortcomings and with these oversights that have existed hitherto in the act. I should like to say that I agree 100 per cent with the sentiments that have been expressed concerning the capacity and ability of the Minister of Veterans Affairs. He has served in this house for 22 years. He has established a reputation as one who has a kindly disposition towards the problems of veterans in this country. It is not only a kindly disposition, but it is a disposition that is backed by an abundant knowledge of their personal needs. I assure the hon. member for Rosthern that in due course there will be the opportunity, for example, that he and others have expressed to have a more comprehensive review of the veterans charter as it exists at the present time.

Mr. Tucker: We are listening carefully to these promises, too.

Mr. Dinsdale: Yes. I imagine, knowing the Minister of Veterans Affairs and knowing his wide background of experience, one of the reasons why he hesitated in going too far into controversial matters at this time was that he would not quite know what tactics the members of the official opposition would take. I know from my experience in these committees that we have tried to deal with the topics that have been mentioned by the hon. member for Rosthern as having been neglected by the government, but he has taken a diametrically opposite viewpoint to that which he took here this afternoon. It is not necessary to labour this point. As I have said, I am glad to see that the majority of members have agreed that the minister in bringing forward these proposals is taking a long step forward in meeting the changing needs of the veterans who are served by the War Veterans' Allowance Act.

There are just one or two specific matters with which perhaps I should deal at this time. Several members referred to the discrepancy of the provision in the act concerning allowable property holdings. The bill is raising the allowable holdings from $6,000 to $8,000. Some reference has been made to the fact that this is less than the $9,000 recommended by the Canadian Legion. I believe that recommendation was put forward in their presentation of 1955. I understand that the $9,000 was based on a formula derived from the fair market value. I might point out to the members who raised this particular point that the present figure has been derived from a different formula, not the fair market value but rather the assessed value or the equity holding of the veteran in the property. Actually, under those terms, the $8,000 figure is even more generous than the one requested by the Legion in 1955.

Reference has been made to the restrictive nature of the ceiling. One of the fundamental purposes of the amendment is to try to meet the changing circumstances that have resulted from the rising cost of living and I think actually, under the existing situation and in the light of the representations of the veterans organizations, the increase in the ceilings will go a long way towards resolving the problem faced by veterans in this regard.

I would like to point out further that to raise the present ceiling still higher would not, generally speaking, benefit those who have no other income and cannot supplement their allowance from casual earnings. The recipients who are in receipt of a small pension or superannuation would benefit to a certain extent but in the main an additional raising of the ceiling would only result in an additional increment to those who are able to supplement their allowance and who do represent the great majority. To use this method to try to help those who cannot supplement their allowance would also be very costly and the great bulk of the moneys thus spent would really assist the less needy recipients.

I believe the hon. member for Burnaby-Richmond (Mr. Irwin) made the point that the maximum allowance for a single veteran would be $840—I think I am right in saying that. Now there is an assistance fund allowed under the act which makes provision for an allowance up to the maximum of the ceiling, that is to say $1,080, to indigent veterans who have no other source of income. Furthermore the same hon. gentleman referred to

widows whose husbands had not established their claim prior to death being discriminated against. I think he will find that such widows whose husbands did not claim the veterans allowance prior to death and who would otherwise qualify, that is to say by reason of age or their husband's service, are eligible for the allowance. The act says that is so and I am sure he will find it does operate in that way.

An hon. Member: What constitutes eligibility?

Mr. Dinsdale: As long as the widow has reached the age of 55 and her husband was eligible. In other words eligibility flows from the service given.

That is the only comment I want to make with reference to the ceiling. These things are all subject to discussion from time to time, particularly under inflationary conditions and no doubt the discussion will be of a continuing nature.

The observation has been made that there should be some provision whereby the veteran who reaches the age of 70 could receive both his veterans allowance and his old age security. Now that would push the ceilings up to the level of $1,500 per annum for a single veteran and $2,760 for a married veteran.

There is one thing to remember, of which I think most hon. members are aware, and that is the relationship between the war veterans allowance and the disability pension. This relationship must always be kept in mind. It was of course never intended that the recipient of a war veterans allowance payment should be in a superior position to the recipient of a disability pension. At the present time the single ceiling of $1,080 represents 50 per cent of the total disability pension and the married ceiling of $1,740 represents 73 per cent of the total disability pension for a married veteran. It is today considered that this ratio is an appropriate maximum; otherwise a veteran with a 20 per cent disability pension would, upon reaching the age of 60, receive the equivalent of an 80 or 90 per cent pension.

Everyone will agree that disability pensions are paid in respect of the highest possible kind of service and that a significant margin should be maintained between this type of compensation and the payment of allowances which are more in the nature of social legislation.

Here again discussion and debate can be carried on but at the point at which this actual situation stands at the moment there must be some suitable relationship maintained between these two categories, as the disability pension and the war veterans allowance which is popularly known as the burnt-out pension.

Now I have not dealt in detail with all the matters raised by hon. members. I do not think some of these matters come within the purview of the bill before us, but if any member feels that this topic has not been adequately covered in my review I am quite sure the minister will be only too happy to discuss these matters further when we come to the committee stage. We all agree that this is a good beginning and one which has been handled expeditiously. With a large part of the cabinet made up of hon. members who are themselves veterans we can rest assured that under this new administration the welfare of our Canadian veterans will be kept uppermost in their minds. I think if we can now proceed to a further consideration of this legislation and the other legislation which is to follow, so as to clear the way for its expeditious consideration before Remembrance day on November 11 next, there could be no better tribute that we could pay to those whom we honour in this special way.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Courtemanche in the chair.

On clause 1—*Widows of allied veterans.*

Mr. Herridge: I rise at this time, Mr. Chairman, to say how pleased I am to see that this clause is in the bill. I remember distinctly on two or three occasions in the past I was associated with the minister in what was later termed in the House of Commons as a group of nice old ladies whose representations should receive favourable consideration and I am very glad he has given that consideration.

Mr. Fraser: May I ask a question? Will new application forms be printed to cover this bill, that is, on account of the section included concerning service in the United Kingdom?

Mr. Brooks: I understand the hon. member wishes to know if an application form will be sent to those who wish to apply for the allowance in respect of service in the United Kingdom. Yes, application forms will be sent to any one on request.

I also wish to say how pleased I was to hear the hon. member for Kootenay West speak about the group of ladies who come to see us every year. I am sure, Mr. Chairman, that they will be very happy tonight to know that by the next time they come their request will have been granted. I am sure they are

going to be very grateful to members of this house for consenting to this section of the bill.

Clause agreed to.

Clause 2 agreed to.

On clause 3—*Repeal.*

Mr. Tucker: On clause 3, Mr. Chairman, something was said today by some hon. member that the value placed on a home would be the assessed value. Under the regulations under the War Veterans' Allowance Act, as I recall them, it is not provided that the value set is necessarily the assessed value and I just wondered if the minister intended to change the regulations or if I am wrong in my recollection of the matter.

Mr. Brooks: My understanding is that it has been the practice, and the formula that is used under clause 3 is as follows:

> The exempt value is not the market value of the property but the interest which the recipient has in this property. This interest is determined on the basis of the following formula:
>
> "For the purpose of determining the interest of an applicant or recipient in real property owned or deemed to be owned by him, the value of such interest shall be either of
>
> (a) the assessed value placed on such property by the city, town or municipality in which it is located, or
>
> (b) the equity of the applicant or recipient in such real property, whichever is the greater."
>
> For this purpose, equity means the capital investment of the applicant or recipient in real property, that is to say, the original investment and subsequent payments on mortgages when applicable, plus the amount of any additional capital expenditures thereon.

That has been the practice of the department, I understand, since June 1956. That was after the hon. member was closely connected with the department as parliamentary assistant.

Mr. Tucker: What I was getting at was the fact that it is whichever value is the greater. Somebody in the house is under the impression that it has been changed and that the value now is the assessed value and I just wish to bring it out that it is whichever value is the greater, either the assessed value or the actual equity of the veteran in the house that is its value less the encumbrance against it. I wish to bring that out because it seems to me that when the Canadian Legion made the suggestion it should be raised to $9,000, and as the value of real property in the case of houses has more than doubled in the last eight years, I wonder if the minister would say why they did not raise the amount at least to the $9,000 asked for by the Legion. They asked for this two years ago and they repeated this request in this brief they have submitted recently to the government. Why was it fixed at $8,000 in this bill instead of $9,000?

Mr. Brooks: My understanding is that the fair market value was the formula before 1956. The Legion in its brief asked that it be increased to $9,000, based on the market value. We are placing it at $8,000 which is the assessed value or the equity. As I explained this afternoon, the value in property since 1952 when the $6,000 valuation was set has increased by 32 per cent. We have increased it 33⅓ per cent, that is to say from $6,000 to $8,000. It is really a better deal, I would say, for the veterans with $8,000 as the assessed value than it would have been at $9,000 as the market value.

Mr. Irwin: If a man owns a house on which the fair market value is $12,000 and the municipality is assessing it at 75 per cent, that would be $9,000; but if that man had an equity in that house of $10,000, so far as he is concerned he would have to take the $10,000 as the basis.

Mr. Brooks: The provision is, whichever is the greater.

Mr. Tucker: Greater.

Mr. Irwin: You said whichever is the greater, and in any event—

The Chairman: Shall the clause carry?

Mr. Tucker: Before it carries I should like to be sure about the matter. I have the regulations here now. Sec. 11 (2) (a) is as follows:

> For the purpose of determining the amount that shall be deemed income from any interest in real property of an applicant or recipient or, in the case of a married veteran residing with his spouse, of the veteran and his spouse, whether owned or deemed to be owned by the applicant or recipient or his spouse at the date of making application, or acquired subsequent thereto, the district authority shall,
>
> (a) where it is used as a residence by the applicant or recipient and from which no revenue is derived, consider as income an amount equal to 5 per cent of the amount by which the fair and reasonable value of such property, as determined by the district authority, less the amount of encumbrances thereon, exceeds six thousand dollars—

So, when a person is living in his home the valuation is that which is regarded as a fair and reasonable value of the property. In regard to that, could the minister tell us what instructions are given to the district authority in arriving at that fair and reasonable value. Because if he can assure us that they are not taking the market value or being influenced by inflationary market values but are being governed, probably, by what the veteran put into his home in the way of ordinary investment and improvements, then it would make quite a difference.

Mr. Brooks: My information is that a directive was issued to the district authorities in May 1956 along the lines I suggested here

a few moments ago. That is the latest instructions which have been issued to the district authorities.

Mr. Irwin: That still does not cover the point. When a man has a house whose fair market value is $12,000 and that house is assessed by the municipality at 75 per cent, that is $9,000. Suppose that man has an equity in that house of $10,000; according to the regulations the minister read out they have to take (a) the assessed value or (b) the equity in the house, or whichever is the higher. You have to take the $10,000 according to what the minister said, and I am sure that is not the intention. Is that the intention? Will the minister give us his assurance that the regulation will be altered so the man will be taxed for the assessed value and not the full equity?

Mr. Brooks: If the equity were $10,000, then $8,000 would be exempt and there would be $2,000 on which 5 per cent would be charged.

Mr. Thomas (Middlesex West): Mr. Chairman, may I ask the minister a question. In arriving at the valuation are municipal assessments taken into consideration?

Mr. Brooks: Yes, the municipal assessments are taken into consideration; they are used as a basis. I might say that under the War Veterans' Allowance Act there are very few recipients with houses of $12,000 value and very few who have an equity of $10,000.

Mr. Irwin: Mr. Chairman, it is obvious that the minister does not live in White Rock.

Mr. Brooks: I hope to some day.

Mr. Hahn: Mr. Chairman, as I understand it the minister explained that the department uses municipal assessments to determine the value.

Mr. Brooks: Yes, that is right.

Mr. Hahn: Since there is such a wide degree of variation in the assessment of the various municipalities, I would suggest that the department take under advisement having its own assessors establish the value in comparison with other veterans homes on the basis of districts.

Mr. Brooks: I might say my information is that the department finds it much better for the veteran if the municipal assessment is taken. I know from my own experience that municipal assessments are always far below the actual value of the property. Under this system it has been the experience of the department that it is advantageous for the veteran.

Clause agreed to.

Clause 4 agreed to.

[Mr. Brooks.]

On clause 5—*Absence from Canada.*

Mr. Herridge: Mr. Chairman, while I am pleased to see this improvement in this clause that permits six months absence from Canada, I would like to ask the minister if he would give consideration to the matter I brought before the house during the resolution stage and on second reading this afternoon, that is to permitting the veteran to leave Canada and continue to draw his war veterans allowance providing he has a medical certificate from an officer of the department indicating that it was necessary for his health.

Mr. Brooks: I assure the hon. member we will take it into consideration.

Mr. Tucker: Mr. Chairman, this matter has been under consideration for some time.

Mr. Brooks: A good many years.

Mr. Tucker: I for one certainly never thought for a moment that this matter in which my hon. friends opposite placed such store and about which they appeared to feel so strongly would have been neglected. I would have thought they would seize the first opportunity to provide for it because I well remember hon. members opposite when in opposition pointing out to the government of the day that the cost would not be very great because it would be a matter of health not affecting very many veterans. They went on to point out how fair it would be and that it was a proposal to help sick veterans to whom we have some obligation and therefore we should not allow a small amount of money to stand in the way of our doing justice. I cannot understand why the minister does not have in his files a thorough study as to what such a provision would cost. I am inclined to think he probably has had a study made of this question and I would like to ask if that is not the case.

Mr. Brooks: The hon. member seems to be drawing on his imagination in this regard as he has done with regard to a number of other matters.

Mr. Gauthier (Portneuf): Oh no.

Mr. Herridge: Mr. Chairman, I would just like to say that I think the hon. gentleman is three years late in singing this tune. He has changed his tune.

Mr. Tucker: Mr. Chairman, I cannot understand the attitude of the opposition party because here we have a statement—

Some hon. Members: Oh, oh.

Mr. Tucker: I should have said I cannot understand the attitude of the C.C.F. party and I apologize profoundly to hon. gentlemen

opposite for confusing them with the C.C.F. In regard to their attitude in this matter, they, the C.C.F., are adopting the attitude that nothing of much import has ever happened up until this time. This is indicated by everything that has been said by them on this legislation.

Mr. Fraser: You are right.

Mr. Tucker: But they have gone all about the country pretending to have taken an active part in the veterans committee meetings and boasting that as a result the best veterans charter of any country in the world was established in Canada. Yet now they rise during this session and pretend that nothing has been done until the present government brought forward the bills we are considering. It is very hard to understand people who blow hot and cold like that and I am sure it must amaze the people in the rest of Canada although, of course, it does not amaze anyone from Saskatchewan.

Mr. Fraser: You should be amazed at yourself.

Mr. Small: Your amazement amazes me.

Mr. Tucker: You will find out.

Mr. Marler: It is only a small amazement.

Mr. Barnett: Mr. Chairman, I have one or two questions about this particular clause of the bill. The minister may recall I had some correspondence with him in the last few days about a case which concerned the length of absence of a veteran from the country. Certainly if he had been prepared to take the action suggested by my colleague the hon. member for Kootenay West in bringing forward this particular clause the problem I was speaking about would no longer be something which would be of concern. However, my question actually has to be considered in connection with the provisions of clause 9 of the bill which sets forth the fact that the bill is deemed to have come into force on November 1 once it has received passage in the house. My question relates to that date of coming into force in respect to the provision of this clause which extends the allowable period of absence from three to six months.

What I would like to know is whether this means the six months period will apply only to people who have left Canada after the date of coming into force of this bill or whether the six months period will apply to veterans or their spouses who may be absent from Canada but who may come back within a date six months from the time they left? I think that is a rather important question as it affects people who may be absent from Canada at the present time and one on which we should have a firm understanding before this clause is allowed to pass.

Mr. Brooks: In the case the hon. member mentions, if the recipient of the war veterans allowance was away three months, we will say, before November 1 he could still stay away another three months after November 1 and receive the six months allowance. That would be my interpretation and understanding of the bill.

Mr. Barnett: The minister said if they were away for three months prior to November 1 they could stay away another three months, am I correct in that?

Mr. Brooks: Yes.

Mr. Barnett: Let us take an example then. Suppose they have already been away for four months and come back two months after November 1. What is the situation then?

Mr. Brooks: Two months after November 1; if he were away four months he would have two more months after November 1.

Mr. Barnett: They would still receive—

Mr. Brooks: Six months payment.

Mr. Barnett: Six months payment after they returned?

Mr. Brooks: Yes, that would be my interpretation.

Mr. Tucker: The minister did me the honour of suggesting that I had a good imagination, but I certainly would think there are some figures from which he could draw some inference as to what the cost would be of permitting people to be absent and still draw allowances if they needed to be absent in another country on account of ill health. I take it the figures he might have would be those indicating how many people went to the United States and had their war veterans allowances cancelled because they stayed there longer than the three months. Has he any figures on that?

Mr. Brooks: Mr. Chairman, my information is that there was one.

Mr. Tucker: During what period of time?

Mr. Brooks: Since 1954.

Mr. Tucker: And none since then?

Mr. Brooks: No.

Mr. Tucker: I take it from that, Mr. Chairman, that there is only one whose health has been bad enough to cause him to go there and lose his war veterans allowance. Perhaps that would satisfy the department that the number who should live in a warmer

climate for their health would not be large; it would be under the control of the department. I should like the minister to say whether he is still as favourable to this idea as he was when he was in the opposition of letting a person draw the allowance who gets a certificate or satisfies the officials that his health requires him to stay in some climate other than Canada, in a dry atmosphere, for instance. Perhaps it may be necessary because of his health; he may have tuberculosis or something of that sort. From the repeated statements of the minister's colleagues when he was in opposition I certainly was under the impression that they were very favourable to this idea. I should like to know whether they are still as favourable and if the only reason why they have not put it in this bill now is that they have not had time to do so?

Mr. Brooks: Mr. Chairman, I can speak for myself. The hon. member is certainly drawing on his imagination. I do not recall ever having said that I was strongly in favour of the war veterans allowance recipient going to any other country and staying there for a period for his health. I do not recall that.

Mr. Tucker: I said the minister's colleagues. I would like to read this to the minister to remind him of the sort of statements I had in mind. I take it that his colleague, the Minister of Public Works, when he spoke on this matter in the house was one of the spokesmen for the Progressive Conservatives on behalf of the veterans. His colleague, the present house leader, now Minister of Public Works, when speaking in this house on July 11, 1956 said this, as reported at page 5867 of *Hansard*:

> There is another problem concerning war veterans allowance recipients which should be met. Most of these men are getting up in years and their health breaks down. In some cases they have to go to the southern states or to Mexico, some warmer climate, in order to stay alive, and when they do that they lose the war veterans allowance. It is only paid as long as they reside in Canada. There is provision for a short absence from Canada but if they change their residence to some country other than Canada then they lose the allowance. We have always been told that it is too hard for the department to figure out any way in which special provision could be made to meet these cases where the man's health has broken down as distinct from cases where he decides to move away for reasons other than health. I submit that this problem should have been met during the present session. Furthermore, I see no reason why the allowance should not be paid to a veteran who goes to live in another part of the commonwealth, whether or not he goes for health reasons. The same ruling should not apply in those cases as is used where veterans go to foreign lands.

I certainly took it that the present house leader was one of the spokesmen for his party on veterans affairs, just the same as the present Minister of Veterans Affairs was, and what I want to know is this: is the minister now of the same view as his present colleague was in July, 1956, because if he is of the same view then I suppose the only reason that they could not bring this change about since they have been in office was lack of time? I think that must be the reason; they did not have time to do it if they are still of the view that this should be done. So I should like to know if their party is still of the same view as expounded by the present house leader when he was a spokesman on behalf of the Progressive Conservative party?

Mr. Herridge: Before the minister replies may I say this. I must support the hon. member for Rosthern on this occasion because I happen to know that the Minister of Public Works was making representations with knowledge of the same case that I brought to the house repeatedly. The hon. member was the member for Vancouver-Quadra at that time and he and I discussed this matter on a number of occasions, and he was making those representations in support of the same tragic case that I mentioned on two occasions while the resolution and the bill have been under discussion. I do hope that serious consideration is given to the wishes of the present Minister of Public Works and others who made those representations.

Mr. Brooks: I can only say, Mr. Chairman, that considering the fact that there has been only one case since 1954 it would not seem to me that there is very great demand for legislation to amend that provision. However, I should be very glad indeed to look further into this matter. As I said before, we shall give it consideration. I might say that I am not assuming responsibility for everything that my colleagues said, any more than the hon. member for Rosthern would assume responsibilty for what his colleagues said. It would be a ridiculous situation for both of us.

Clause agreed to.

Clause 6 agreed to.

On clause 7—*Canadian veterans of world war I or world war II.*

Mr. Fraser: If an application is made by the middle of this month when would payment start on that application?

Mr. Brooks: In answer to the hon. member, it would take some time to review the case, possibly five or six weeks, but the payment would be from the date of the application. There will be a great number of applicants and I would advise those who are applying

to get their applications in early because the applications that are in first will receive attention first.

Mr. Fraser: The minister said it would be paid from the date of the application. Will it start from the first of the month or the end of the month? You could not start it in the middle of the month.

Mr. Brooks: The war veterans allowance is paid from the date of application. If it is received on the 10th of the month, then it is paid from the 10th; if it is received on the 12th or 15th of the month, then it is paid from the 12th or the 15th.

Mr. Lesage: I understand that up to now the veterans who served in world war I were not entitled to this allowance if they had served only in the United Kingdom, unless, of course, they were in receipt of a pension?

Mr. Brooks: They will now.

Mr. Lesage: Well and good. Now that the government has decided to extend the payment of the allowance to veterans of world war I, even if they served only in the United Kingdom, what is the reason that the minimum period of one year's service is required?

Mr. Brooks: Well, Mr. Chairman, this matter has been very carefully studied by the Canadian Legion and this is the recommendation of the Canadian Legion. The government has seen fit to take the advice of the Canadian Legion in that regard.

I might also say that there were a great many soldiers who arrived in Great Britain just in the last months of the war; I think there were from 30,000 to 40,000 or 50,000. The veterans themselves who had served in France or served in England for a long time I believe are of the opinion that they should not be included at the present time at least.

Mr. Lesage: That is not a substantive reason. The recommendation of the Legion should be accepted by the government, in my opinion, only if it is substantiated by very good reasons. There must be reasons why the period of one year has been chosen by the government after a recommendation, if you wish, by the Legion. This period of one year has not been picked out of the air. Why not six months? Why not nine months or why not fifteen months? Why one year?

Mr. Brooks: My answer to that, Mr. Chairman, would be that I have not the least doubt that six months was considered, that nine was considered and possibly three months was considered and that a year was decided by the veterans organizations as a logical period. That would be my answer to the hon. member.

Mr. Lesage: Mr. Chairman, it seems to me that the government's responsibility when it makes a recommendation to this house goes much farther than the minister would seem to think. It is all very well to say that it is the recommendation of an association. But the government in acting on the recommendation of the Legion must have had substantive reasons for doing so and I believe the minister should give to the committee the substantive reasons why he and the government accepted the minimum period of one year as a requirement.

Mr. Brooks: My reply to that, Mr. Chairman, would be that the government considered it to be a reasonable time.

Mr. Lesage: Why is it reasonable, Mr. Chairman? There must be a reason.

Mr. Brooks: Does the hon. member consider it unreasonable?

Mr. Lesage: It goes much further than that. Is there any special class that the minister wanted to keep out?

Mr. Brooks: Does the hon. member consider it to be unreasonable?

Mr. Lesage: I did not say that. Mr. Chairman, I am not here as a member of the government having to defend a policy; I am here to see that the government gives to the people of Canada the reasons why it proposes such and such legislation. I believe that that particular question is a reasonable one and one which should be answered.

Mr. Brooks: The hon. member may consider it a reasonable one but his government did not consider any period reasonable. The Legion presented this brief to the government for a good many years and they paid absolutely no attention to it. I want to tell him that I think the veterans all across Canada will consider this is excellent legislation and that they are going to be extremely grateful to this government for having selected this period of one year. If it needs to be changed later on, we will take the matter under consideration.

Mr. Lesage: Mr. Chairman, when I intervened at first I said that up to now it had not been decided to extend this allowance to the veterans of world war I who had served only in the United Kingdom; and I add this question: Now that the government has decided to extend it to those who served only in the United Kingdom, why is it that there is required a minimum period of service over there of one year? At the outset I accepted the fact that a previous government had not seen fit to do so. But now that this government which is in power has

decided to do so, I ask, "Why one year?" I do not believe I have received an answer which is satisfactory to anyone in this house.

Mr. Brooks: I do not think you want a satisfactory answer. I can give some reasons. In 1914 and 1915 when the first contingent went to Great Britain they encamped at Salisbury Plain. They suffered, as all veterans know. They were in tents. The weather was extremely inclement and those men suffered. They formed the basis of a good many men who trained other soldiers who came over in the next three or four years. Instructors were taken from them. They were good administrative officers. They were kept in England and they stayed there for three and four years.

The men who came over in the latter part of the war were in England only a short time. They were not obliged to put up with the uncomfortable situation at Salisbury Plain or in camps. They were not compelled to do weeks and months of training of recruits that came over. They did not give to the country or to the men the service that was given by these men who had been there for a long period of time. That is one reason—and I think it is a very logical one—it was felt that consideration should be given to the men who had served longest and had earned, I might say, more consideration than had the men who had just landed in England a short time before the end of the war.

Mr. Lesage: Mr. Chairman, from the answer given by the minister must I conclude that the purpose of the minimum period which is required under the amendment is to take out a certain class of veterans?

Mr. Brooks: No, it is to give the benefit to the men who served the longest and who the veterans themselves, as represented by the Canadian Legion, feel deserve the allowance the most.

Mr. Herridge: I have heard this matter discussed in Legion branches, in provincial conventions and in national conventions. Lengthy discussions took place there as to what sound principle could be put before the government with respect to giving the war veterans allowance to men who had certain service in England. The very reasons given by the minister this evening to the house were the very reasons that were given in support of the present representations to the government made by the Canadian Legion. Because of those certain conditions of service and length of service on the part of those who would have preferred to go to France but were obliged to remain in England and train troops and do other things, it was considered by the Legion—I have heard this matter discussed a good many times—that there would be a sound argument for asking for the war veterans allowance to be extended to those who had served not less than one year in England.

Before I sit down, Mr. Chairman, may I say this. As a good many members of this house know, members of the veterans affairs committee have urged this amendment ever since the second world war, and have done so vigorously on a number of occasions. I am sure there are a good many of the members in the house tonight who will be pleased indeed that we are passing this particular amendment to the War Veterans' Allowance Act which will be of such great benefit to the men who will need it and welcome it when they receive it.

Mr. Tucker: I would point this out to the minister and I hope he will bear it in mind. While he has directed his mind to the people who served the last few months of the war and apparently has in mind excluding them from the benefits of this amendment, some of the very people he spoke about as deserving of the allowance were men who in their patriotism and enthusiasm volunteered at the start of the war, went over to England and found the rigours of the first few months over there were so great that they were invalided back to Canada and have been suffering from that experience ever since.

Mr. Brooks: Those men would be under pension if they suffered in that way.

Mr. Tucker: They may not be on a pension. It is quite possible it was found that they were not able to carry on their military work and yet they may not have qualified for pension. My friend from Newfoundland calls to my attention the fact there must be quite a number of Newfoundlanders who, with their well known patriotism, got into the war right at the start. Sometimes they were older men who were not able to stand the rigours of military life. They went overseas, many served in England less than a year and were returned to Canada and are now suffering from the rigours of the first year in England. As the minister has explained these amendments, these men would be debarred from the benefit of this legislation.

While this legislation, as has been pointed out, may be a step towards recognizing these people, I do suggest that a further look should be had at the situation because the same reasoning applies to people who served in the first war as applies to those who served in the second. Personally, I never was absolutely convinced that what some of the servicemen went through in the first war in the United Kingdom was not just as detrimental to their healths as what

servicemen went through in the second war. I never was convinced that the distinction between these groups was entirely justified by what they went through. Anybody who served even one day in the United Kindom in the second war is entitled to war veterans allowance, but if a person served in the first war he must under this bill have served a whole year before he is entitled to anything. Why draw a distinction between these people which cannot be upheld in the long run?

I do admit that the Legion has seen fit to go only this far. So perhaps the minister, therefore, has justification in only going that far. However, I think he will agree that there is something in what I have put forward, and I hope he will consider it. Before I sit down, I should like to ask him as to how many people would benefit by this amendment, and how many would benefit if he extended the same right to those who served in the United Kingdom in the first war?

The Acting Chairman (Mr. Rea): Shall clause 7 carry?

Mr. Tucker: No, I want an answer.

Mr. Quelch: While the minister is getting the answer, I should like to say that the provision is a very reasonable one. We all know that the veterans who only saw service for a very short period of time did not have their lives dislocated to anything like the same extent as the men who had a number of years service. Any of us who were overseas in the first war know that the statement the minister made is quite true. During the earlier stages of the war, life in England was much harder than it was in the later years. Many of the veterans who were stationed in Salisbury Plain know the extent to which the soldiers suffered.

I cannot understand why so much exception is being taken to the period of one year. We have similar terms in other veterans legislation. Under the Veterans' Land Act you must have served for one year before you become eligible. If we are going to object to this, why not object to the one year in the Veterans' Land Act?

Mr. Brooks: In answer to the hon. member's question, the number who would come under the bill as it is now would be 2,280 veterans, that is an estimate, and 1,150 widows. If everyone were included, and I think that was the question, there would be an additional 5,190 veterans and 1,710 widows. The granting of an allowance to the first group I have mentioned, those coming under the act, would cost $3,210,000 a year. If everyone were included, the cost would be between $10 million and $11 million.

Clause agreed to.

On clause 8.

Mr. Tucker: There are just two things with which I wish to deal now. In speaking of the ceilings placed on married veterans, I erred in favour of the minister and I would not want to do that as seriously as I did. I made a mistake in my addition. I stated that a married veteran residing with his spouse, if he drew the full veterans' allowance of $1,440 and his old age security, would get $1,760 a year. I said that in setting the ceiling at $1,740 the minister had fallen short by $20. As a matter of fact, the $660 and the $1,440 make a total of $2,100, so the minister has fallen short by a matter of $360 in carrying out what I understood was the firm intention of the members of the government when they were in opposition.

Now as to the second matter; there was a suggestion made that raising the level of permissive income would help those who were able to work and help themselves more than those who could not work and needed the help. I think the person who made that suggestion misunderstood the situation. The person who can have casual earnings is now much better off in this respect than the person on a small pension, as has been pointed out by the hon. member for New Westminster. I would refer hon. members to page 24 of the Legion brief where it deals with the proposal to raise the level of permissive income to those on disability pensions, those on old age security and old age assistance. They will find the matter dealt with in the Legion brief very concisely. I also commend that to the minister in the study he is going to make of these matters between now and the great day, after Christmas, when all these problems are to be referred to the veterans affairs committee, which I now know the government is going to set up pursuant to their promise.

Mr. Brooks: The hon. member is going to make an excellent teacher.

Clause agreed to.

On clause 9—*Coming into force.*

Mr. Bryce: When does section 6 come into operation? Is it before or after the coming into force of the act?

Mr. Brooks: In the revision of this year the salaries of the civil servants came into operation on July 1, and that is the date on which the salaries under section 6 will come into operation, July 1 of this year.

Clause 9 agreed to.

On schedule A.

Mr. Herridge: I want to bring up a matter briefly under schedule A which I missed under one of the previous sections because widows are mentioned and I am always interested in widows. In schedule A, clause 1 (b), widow without child or not residing with child, I want to ask the minister if he would give consideration to introducing an amendment to section 30, subsection 11, paragraph (b) which would overcome the most unfortunate situation that I mentioned in my remarks of November 5. I am sure his officials are acquainted with this case and possibly some others like it. A very slight amendment would be required. I am looking at the Minister of Public Works and expect his support because this widow is the widow of an old comrade of ours who was in A company of the 54th.

Mr. Brooks: I might say that I will take this matter under consideration. I believe there have been only four such cases since 1955.

Schedule agreed to.

Schedule B agreed to.

Title agreed to.

Bill reported, read the third time and passed.

BUSINESS OF THE HOUSE

Mr. Chevrier: Might I ask the house leader what is the business of the house for tomorrow.

Mr. Green: Tomorrow we shall commence with the resolution preceding the bill to amend the Pension Act, being No. 9 on today's order paper. That will be followed by the second reading of Bill No. 16 to provide for annual vacations with pay for employees in federal works, undertakings and businesses, which is No. 2 on today's order paper. Then we shall take the resolution standing in the name of the Minister of Transport, which is No. 8 on today's order paper, having to do with a branch line of the Canadian National Railway Company, and then the throne speech debate.

Mr. Chevrier: May I bring to the leader's attention that both the hon. member for St. Antoine-Westmount (Mr. Marler) and myself will be out of town tomorrow and either one of us would like to make some comments on the railway bill. I wonder if the leader would be good enough to give consideration to holding it over so that we might be able to take part in the debate.

Mr. Green: We might be able to take the resolution standing in the name of the Minister of Justice but that probably would not take very long and we do not want to commence the debate on the throne speech tomorrow if it can be avoided. The plan is to go back to the throne speech debate on Monday and then continue with it all next week until it is finished.

Mr. Marler: Might I ask the house leader if it would be possible to deal with the resolution concerning the Canadian National Railways immediately after the resolution on pensions. That is to say, to deal with it as the second item of business instead of the last one.

Mr. Green: If the hon. member wishes to have the resolution concerning the Canadian National Railways taken after the resolution concerning pensions that would be perfectly satisfactory to the government.

Mr. Marler: If that would be agreeable to the house leader I would delay my departure accordingly.

Mr. Green: That is to say, to have it as the second item on tomorrow's list; that is perfectly satisfactory.

Mr. Marler: Thank you.

It being five minutes after ten 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:

UNEMPLOYMENT FIGURES, BRITISH COLUMBIA

Question No. 76—**Mr. Christian:**

1. How many are registered as unemployed in the province of British Columbia at the present time?
2. What were the figures covering those registered as unemployed in the said province one year ago?

Answer by: **Hon. Michael Starr (Minister of Labour):**

1. Information available from reports of local offices of the unemployment insurance commission pertains to the Pacific region which comprises the Yukon Territory and all but the northeastern portion of the province of British Columbia. As at September 19, 1957, the number of persons registered for employment at local offices in the Pacific region was 29,837.

2. The figure for the comparable date, September 20, 1956, was 15,619.

NATIONAL DEFENCE—REDUCTIONS IN EXPENDITURE ON TRAINING

Question No. 100—**Mr. MacEachen:**

1. What is the estimated reduction in national defence department spending resulting from the decision to cut the training days of the militia from sixty days to forty days?
2. What will this reduction amount to in respect to the eastern command?

Answer by: **Hon. G. R. Pearkes (Minister of National Defence):**

1. Since the major portion of the cost for the militia training year commencing September 1, 1957, will be included in the 1958-59 estimates which have not yet been finalized, it is not possible at this time to supply the figures requested.

2. Answered by No. 1.

UNEMPLOYMENT INSURANCE BENEFITS, ALBERTA

Question No. 108—**Mr. Hansell:**

How many individuals are drawing unemployment insurance benefits at the present date in each of the employment districts of the province of Alberta?

Answer by: **Hon. Michael Starr (Minister of Labour):**

The latest figures available representing the local office areas of the province of Alberta are those of September 30, 1957, which are as follows:

Blairmore	361
Calgary	2,024
Dawson	172
Drumheller	471
Edmonton	3,297
Edson	186
Lethbridge	368
Medicine Hat	297
Red Deer	255
	7,431

R.C.A.F.—TRAINING SCHOOLS AND STRENGTH

Question No. 115—**Mr. Hansell:**

1. How many air training schools are now operating in Canada, and where are they located?
2. Which of these air training schools are training air personnel for NATO?
3. What is the present strength of the Royal Canadian Air Force (a) in training; (b) on service?

Answer by: **Hon. G. R. Pearkes (Minister of National Defence):**

1. (a) 9; (b) primary flying training school, R.C.A.F. station, Centralia, Ont.; 2 flying training school, R.C.A.F. station, Moose Jaw, Sask.; 3 flying training school, R.C.A.F. station, Claresholm, Alta.; 4 flying training school, R.C.A.F. station, Penhold, Alta.; 1 advanced flying school, R.C.A.F. station, Saskatoon, Sask.; 2 advanced flying school, R.C.A.F. station, Portage la Prairie, Man.; 3 advanced flying school, R.C.A.F. station, Gimli, Man.; 4 advanced flying school, R.C.A.F. station, Macdonald, Man.; air observer school, R.C.A.F. station, Winnipeg, Man.

2. Air crew from NATO countries are being trained at all the above schools.

3. As of 30 September, 1957: (a) 5,825; (b) 45,435.

HOUSE OF COMMONS

Friday, November 8, 1957

The house met at eleven o'clock.

NATIONAL DEFENCE

U.S.-CANADA—REQUEST FOR STATEMENT ON DEFENCE CO-OPERATION

On the orders of the day:

Hon. L. B. Pearson (Algoma East): Mr. Speaker, I should like to ask the Prime Minister whether, having regard to recent developments and particularly in view of the references to the matter made by President Eisenhower in his address to the American people last night, he would make a full statement to this house at the earliest possible date on defence co-operation between the United States and Canada and, more particularly, on co-operation in the field of defence research and development.

Right Hon. J. G. Diefenbaker (Prime Minister): Yes, Mr. Speaker, I will discuss the matter with the hon. gentleman, and as soon as possible a statement will be made.

IRRIGATION

SOUTH SASKATCHEWAN RIVER—INQUIRY AS TO CONSTRUCTION START

On the orders of the day:

Mr. W. M. Johnson (Kindersley): Mr. Speaker, I wish to address a question to the Prime Minister. Has the Prime Minister received any communication from the province of Saskatchewan that would indicate any change in the responsibilities which that province has already accepted with regard to the building of the South Saskatchewan dam? Further, what action is this government taking to meet with the province of Saskatchewan to discuss an early start on the dam construction project, as promised by the Prime Minister during the course of the election campaign?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as far as the promise to proceed with the construction of the South Saskatchewan dam is concerned, that promise will be carried out just as soon as the province of Saskatchewan and the federal government have arrived at a decision as to the distribution of financial responsibility for the construction work. I hope that at an early date a meeting can be arranged.

As far as the practicability of the scheme is concerned, and its feasibility, we believe that has been determined. There is no need to convince the members of this government and of this party as to feasibility and practicability. All that remains is to reach an agreement as to the division of responsibility, and I hope that steps to achieve that agreement will be taken at the earliest possible date.

Mr. Johnson (Kindersley): On a point of clarification, Mr. Speaker; did the Prime Minister indicate that there has been any indication from the province of Saskatchewan that they would not accept the responsibility which they have already stated they would accept in connection with the dam?

Mr. Diefenbaker: Mr. Speaker, I speak entirely from recollection. The only information I have had as to a changed viewpoint was contained in press references—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: —in connection with a statement reported to have been made by the provincial treasurer of Saskatchewan, that in his opinion the entire cost should be borne by the federal government. As far as any direct communication to that effect is concerned, there has been no suggestion that I have received any communication of that nature; but I take it that if the treasurer was correctly reported he would be speaking for the government of Saskatchewan.

SOUTH SASKATCHEWAN RIVER—INQUIRY AS TO ATTITUDE OF PROVINCIAL GOVERNMENT

On the orders of the day:

Mr. J. H. Harrison (Meadow Lake): Mr. Speaker, I should like to address a question to the Prime Minister, if I may. In view of the aptitude of socialists generally, and the Douglas government in Saskatchewan in particular, for loading their responsibilities on someone else, would not the Prime Minister, in making his unqualified commitment to start construction of the South Saskatchewan dam within six months of being elected, naturally anticipate that he would be called upon to fulfil his promise himself and without regard to the attitude of the provincial government?

Mr. Speaker: Order. May I say to the hon. member that he must have composed

that speech with very great care. It is one of those questions that does not seem to seek an answer.

AIRPORTS

GANDER—HOSPITAL AND HOTEL ACCOMMODATION

On the orders of the day:

Mr. T. G. W. Ashbourne (Grand Falls-White Bay-Labrador): Mr. Speaker, I would like to direct a question to the Minister of Transport. What progress has been made in providing a new hospital at Gander, and also what facilities for hotel accommodation will be made available when the construction of the new terminal at Gander will have been completed?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, as I received no notice of the question I will take up the matter with my department and report on Monday.

IMMIGRATION

RESPONSIBILITY FOR ASSISTANCE TO UNEMPLOYED IMMIGRANTS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the genial Minister of Labour. In view of the number of unemployed immigrants from Great Britain and other countries who have not qualified for unemployment insurance and who in many cases are destitute, would the minister inform the house what assistance is being rendered these immigrants by the federal government?

Hon. Michael Starr (Minister of Labour): With your permission, Mr. Speaker, I should like the Acting Minister of Citizenship and Immigration to answer that question.

Hon. E. D. Fulton (Acting Minister of Citizenship and Immigration): Mr. Speaker, the responsibility for the welfare of immigrants during the first 12 months after their admission to Canada is discharged by the Department of Citizenship and Immigration. There are some existing agreements with the provinces, but generally speaking the responsibility is a direct responsibility of the dominion government which assumes and discharges that responsibility to look after the welfare of immigrants to the fullest extent.

Mr. Herridge: I want to ask the minister a supplementary question, in view of his answer to my question. Does the minister know that British immigrants who came to this country since the first of this year have been unemployed for a period of time? They served for 12 years in the armed forces of the commonwealth, and when they applied for assistance at the unemployment insurance office they were told there was none and that under the law they were liable to deportation. Does the minister not think we could also provide $3 a day assistance for those splendid immigrants?

Mr. Fulton: I am not aware of the cases to which my hon. friend has referred. If he brings any specific cases to my attention I shall be glad to look into them, because I would be inclined to agree, on the basis on which he has put it, that it is not a proper attitude with which to receive those people.

Mr. Herridge: A further supplementary question, Mr. Speaker. Is there any assistance legally available to those immigrants from Great Britain or other countries who are unemployed and not eligible for unemployment insurance?

Mr. Fulton: Yes, Mr. Speaker, there are responsibilities accepted by the Department of Citizenship and Immigration. I am not able to give the hon. gentleman the details at the moment, but if he wishes it I will get the detailed answer and let him have it as soon as possible.

HUNGARIAN REFUGEES—ACCEPTANCE OF GROUP FROM YUGOSLAVIA

On the orders of the day:

Mr. G. H. Castleden (Yorkton): A supplementary question, Mr. Speaker, in that regard. I wonder if the minister would tell us whether or not the government has made arrangements to accept another group of Hungarian refugees from Yugoslavia. If so, how many, and have arrangements been made to provide a thorough medical examination on their entry into this country?

Hon. E. D. Fulton (Acting Minister of Citizenship and Immigration): Mr. Speaker, I am glad the hon. gentleman raised the question. I had intended to follow up my previous remarks immediately with a reference to that matter.

It has been decided to admit 700 Hungarian refugees from Yugoslavia. The United Nations high commissioner for refugees visited Ottawa early in October and made representations to us, as he told us he was doing to all other countries which he felt would be in a position to receive these refugees. There were at that time some 4,800 Hungarian refugees in Yugoslavia who had indicated they would wish to emigrate, and we have been informed that there is virtually no winter accommodation for them in that country, with the result that if countries in a position to receive them did not do so the fact would be that these men and women would face the most desperate hardship in Yugoslavia during the winter months.

Accordingly the Canadian government agreed to receive 700 of those who are in the refugee camps in Yugoslavia.

I have a table, Mr. Speaker, showing the number of these refugees in Yugoslavia which various countries have agreed to take, and with the 700 now agreed to be received by Canada the total we will have taken from Yugoslavia will be 1,779. In order to select and process these refugees we are sending an immigration team to Yugoslavia, which is expected to arrive about November 20.

Mr. Castleden: What about their medical examinations?

Mr. Fulton: The immigration team will take care of that aspect of the situation, but this is essentially a humanitarian refugee movement.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Does the minister intend to reverse the previous policy of admitting even those who could not satisfy the medical requirements, if they were otherwise satisfactory?

Mr. Fulton: Mr. Speaker, I do not know that I can give a categorical answer to the question in the form in which it was asked. I think we would have to look at every case and see just what were the implications. That is one of the purposes of sending the team; but as the house knows, because of the emergency and humanitarian nature of this movement, it is a fact that standards of admissibility were relaxed. The humanitarian aspects of the situation are accentuated here because if somebody does not take these refugees they will be in a really desperate position during this winter in Yugoslavia.

Mr. Pickersgill: I should like to ask another supplementary question, if I may, Mr. Speaker. Will the minister consider very carefully continuing the policy of receiving a fair proportion of those who cannot satisfy the medical requirements, instead of leaving them on the doorstep of another country? That was the policy we have followed up to now, and I think we should continue it.

Mr. Fulton: Since it was put in the form of a question I can assure the hon. member and the house that the fullest and most sympathetic consideration will be given to the principle that he has put forward, but I cannot give a categorical answer as to just what are the details of the standards that will be applied to each case.

Mr. Pickersgill: I have a related question to ask the minister. I would like the minister, if he could, to tell the house whether we are continuing to take Hungarian refugees from Austria. I believe there are some 30,000 in that country.

Mr. Fulton: The figure I have is not as high as 30,000. There are some Hungarian refugees coming in at the present time if they comply with the terms of the directive which was issued, I think, on July 9 or July 10. Although in accordance with that directive the movement of Hungarian refugees to Canada was reduced for the winter months, there are still a few coming in.

UNITED NATIONS

FAO—REPORTED CANADIAN OPPOSITION TO INCREASED BUDGET

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Prime Minister. Would the Prime Minister care to comment on the report that Canada's Minister of Agriculture at the FAO conference in Rome has expressed opposition to the proposal that the FAO budget be increased by $2 million?

In view of the critical world food problem, both in deficit and surplus areas, does the Prime Minister not feel that such a modest increase for FAO purposes is justified?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the hon. gentleman was kind enough to forward to me a copy of the press dispatch to which he has made reference. However, a reading of the press dispatch does not indicate that the Minister of Agriculture expressed opposition to the increase asked for by the director general. He questioned whether or not that expenditure would be efficiently absorbed in the coming two years. There was no finality in the words he used, no expressed opposition.

My own attitude, and I am sure that of the minister, is that FAO has done an outstanding job in correlating the activities of agriculture in all parts of the world represented in that organization. Anything that can efficiently be done by an increase within reasonable limits in the expenditures asked for by the organization will certainly receive favourable consideration on the part of this government.

Mr. M. J. Coldwell (Rosetown-Biggar): May I just say that we are not so much concerned with the use of the word "opposition" as we are with whether the press report and its headline are an accurate reflection of the position of the government.

Mr. Diefenbaker: I am reading from the press report and it says that "the Canadian minister . . . questioned whether increases of the size proposed by the director general can be widely and efficiently absorbed". I

do not see the word "opposition" anywhere. That may be an interpretation of what took place—

Mr. Coldwell: I saw it in a headline.

Mr. Diefenbaker: —but I do not join in that interpretation.

Right Hon. J. G. Gardiner (Melville): May I ask a supplementary question. I had the same matter before me, and I have the press report from the Montreal *Gazette*. The heading is, "Canada Warns Against FAO Spending Increase." The first sentence in the article is in these words:

> Canada, which pays the fifth highest share toward the operation of the U.N. food and agriculture organization, warned today against increases in FAO spending.

Of course I understand that the question under discussion was whether they would increase the amount of spending over last year by one-third. The implication here is that Canada opposed an increase in expenditure.

Mr. Speaker: Order. Before the Prime Minister replies, I am not suggesting that the question is out of order but may I just say it has been decided that it is not the function of the question period to verify the truth or otherwise of newspaper reports. If questions concerning the government's intention or decision or action arising out of such reports are asked, that is appropriate, but it seems to me that we are dealing with the verification of what is said in newspapers, which is not a duty of the ministry.

Mr. Gardiner: With deference to the opinion you have expressed, Mr. Speaker, I understand that the question asked was whether the government was opposed to increased expenditures by FAO, and the question was raised whether the article said that. The article does say that, but I should like to know what is the policy of the government.

Mr. Diefenbaker: The right hon. gentleman said that my interpretation of what the article says is that the position is one of opposition. I was reading portions of the quotations of what the minister stated, not the interpretation placed upon the matter by the headline writer or in the first paragraph.

Mr. Gardiner: I should like to ask a supplementary question. As I understand it, the question which I attempted to repeat was, are the government in favour of increased expenditure by FAO or are they opposed to it?

Mr. Diefenbaker: Mr. Speaker, now that the right hon. gentleman has asked a question rather than indulged himself in the luxury of interpretation by observation, I may say that the attitude of this government is that everything that should be done and could be done by FAO to expand the development of agriculture and to dispose of surpluses will receive the favourable consideration of this government.

[*Later:*]

Mr. W. A. Tucker (Rosthern): Mr. Speaker, may I address a further supplementary question to the Prime Minister in regard to the FAO matter. I would like to ask him if at any time he has indicated what instructions were given to our delegation to the FAO conference and, if he has not already done so, would he do so now?

Mr. Diefenbaker: Mr. Speaker, from one member I get advice that I should not give instructions; then I am criticized for the suggestion that instructions have not yet been given.

As far as the FAO conference is concerned, the Minister of Agriculture (Mr. Harkness) is attending there as well as other representatives, and the stand they will take in general regarding the matters that are brought before that organization will, I am sure, merit not only the appreciation of the government but of the people as a whole.

SHIPPING

BLACK ROCK, LAHAVE RIVER—REQUEST FOR RADAR REFLECTOR

On the orders of the day:

Mr. L. R. Crouse (Queens-Lunenburg): I should like to direct a question to the Minister of Transport. Has the minister or any of his officials given any thought to the placing of a radar reflector on a rock in the LaHave river known as Black rock, on which the *Baffin* went aground?

Hon. George H. Hees (Minister of Transport): I should like to thank the hon. member for his courtesy in giving me notice of his intention to ask this question. The answer is yes; but the erection of a radar reflector on Black rock would be a difficult and costly project, particularly at this season of the year in that the rock is awash at certain stages of the tide and a heavy concrete foundation would have to be placed in order to raise the reflector beyond wave action.

As an alternative a radar reflector has been placed on the LaHave gas and whistle buoy and the buoy has been moved to a new

position, latitude 40-10-29 north, longitude 64-16-03 west, so as to provide a better approach and clearance of Black rock. The installation and change were made on October 29, and were covered by a notice to shipping, broadcast by the Halifax agency.

ST. LAWRENCE RIVER—REFERENCE TO STATEMENT ON KEEPING SHIPPING LANES OPEN IN WINTER

On the orders of the day:

Mr. Maurice Bourget (Levis): Mr. Speaker, I would like to direct a question to the Minister of Transport. The minister made a statement yesterday regarding winter navigation in the lower St. Lawrence river, and said that plans are now under consideration for an extension of the service to provide improved coverage. Can the minister inform the house if by extension of the service he meant that plans are now being prepared for the construction of new icebreakers?

Hon. George H. Hees (Minister of Transport): No, Mr. Speaker. I was dealing with our plans for icebreaking operations for this year, and I outlined that one additional icebreaker would be used and we hoped that two would be used. I was not dealing with plans for the construction of additional icebreakers.

INDUSTRY

ATLANTIC PROVINCES—INQUIRY AS TO ACTION ON DECENTRALIZATION

On the orders of the day:

Mr. H. J. Murphy (Westmorland): I should like to direct a question to the Prime Minister. What action has been taken by the government to establish crown corporations in the Atlantic provinces to support industrial decentralization, in accordance with the Atlantic resolutions?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, whenever action is taken it will be communicated to the house.

NATIONAL PARKS

SIGNAL HILL, ST. JOHN'S, NFLD.—STATEMENT AS TO DEVELOPMENT PLANS

On the orders of the day:

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): In answer to a question by the hon. member for St. John's East concerning Signal hill, I wish to say that the government proposes to have Signal hill declared a national historic park as soon as the necessary details of the survey conducted by the surveyor general of Canada are obtained this year. The work involved at Signal hill was reconstruction of the main entrance road. Next year it is proposed to construct an entrance gateway to the park and to undertake structural repairs to Cabot tower.

INQUIRY AS TO REVISION OF REGULATIONS

On the orders of the day:

Mr. C. E. Johnston (Bow River): Mr. Speaker, may I direct a question to the Minister of Northern Affairs and National Resources and, in his absence, to whoever is looking after that department. Some time ago I asked a question of the minister regarding the revision of the National Parks Act and a particular question regarding Banff. The minister at that time indicated he did not have any information on the subject and if I would send him some he would be prepared to make a statement in the house. I supplied him with some information several days ago, but as yet I have not received an answer to my question. I wonder if the minister would now take this under consideration and be prepared to give an answer on Monday?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, I regret that the minister to whom the question was directed was required to leave the chamber for a few minutes to attend to other duties. I will see that it is brought to his attention and answered at the first opportunity.

TRADE

MISSION TO UNITED KINGDOM—COMPOSITION AND MATTERS TO BE DISCUSSED

On the orders of the day:

Hon. Paul Martin (Essex East): I should like to ask the Minister of Trade and Commerce if he is now in a position to answer a question I put to him some days ago, as to whether or not he proposes to head the trade delegation soon to leave Canada for the United Kingdom. Perhaps he will recall also that I asked at the same time if he would take advantage of that visit, if he went, to discuss with his opposite number the Prime Minister's proposal for the diversion of trade purchases from the United States to Great Britain, and likewise the United Kingdom proposal for a free trade area as between the United Kingdom and Canada. On that occasion the hon. gentleman replied by saying he would have to discuss this matter with the Prime Minister. Has he now received the Prime Minister's permission so to do?

May I say that this is perhaps a good occasion upon which to ask this question, it being the minister's birthday anniversary, upon which I sincerely congratulate him.

Inquiries of the Ministry

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, after reading the complimentary article about the hon. gentleman in the *Citizen* last night I shall have to examine that last sentence very closely in *Hansard* tomorrow to see that there is no hidden meaning. However, taking it at face value I thank him for his remarks on the occasion of the anniversary of my birthday. I hope the next 59 years will be as interesting as the first 59 have been.

With regard to the question he has put to me, I have not had a chance to refer back to *Hansard*, but it appears to be framed along similar lines to a question I thought I had answered. I do not recall having said I would need to consult the Prime Minister regarding the question the hon. member asked. I can say to him that I will be heading the trade mission to the United Kingdom; and if the house will permit me so to do, when we assemble at 2.30 this afternoon I would ask permission to make a statement at that time. (*See pages 910-11.*)

The balance of the long question of the hon. member was answered on the other occasion, and I do not think his question should be repeated now.

[*Later:*]

Mr. Martin (Essex East): Mr. Speaker, I wonder if I may ask the Minister of Trade and Commerce if he does not consider it desirable to revise a reply he made in answer to a question a few moments ago, in view of what he said in answer to the question I put to him on October 31, when among other things he said, at page 599:

> I will be heading up the trade mission to England if the Prime Minister decides that I should go.

I should also like to ask if, likewise, he will not revise the answer he made on the same page on the same day:

> I have not yet received any instructions as to whether I am to consult with any member of the British government with regard to any other questions.

That is on page 599, in the left hand column. They are memorable words.

Mr. Churchill: Mr. Speaker, on reading my answer given on October 31, 1957, I am quite pleased with the clarity of the reply.

CODFISH—STATEMENT ON REPORTED ACTION BY JAMAICA TO SHUT OUT IMPORTS

On the orders of the day:

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I was asked a question yesterday by the hon. member for Trinity-Conception (Mr. Stick) in these terms:

> Will the minister state what action the government is taking in connection with the threatened action of the government of Jamaica in shutting out the imports of salt codfish from the Atlantic provinces?

Acting on instructions, the Canadian trade commissioner in Jamaica has had interviews with both the chief minister and the minister of trade and industry in Jamaica, at which time a full explanation of our desire to continue to trade on a friendly and unrestricted basis was placed before the Jamaican officials. The reasons why increased prices were needed for salt codfish were fully explained. The Jamaican officials were informed that Canadian fishermen would suffer if a satisfactory settlement was not reached, and that it was hoped that the threat to prohibit imports from Canada would be removed.

In reply the Jamaican chief minister denied that imports of Canadian salt codfish are to be prohibited. He further stated that the government of Jamaica planned to invite tenders from all sources of supply for its requirements of 4,800 metric tons. The closing date for tenders is today, November 8. Consequently, the Canadian salt fish trade have submitted tenders through our trade commissioner in Jamaica, and we are awaiting the result.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, I would like to ask a supplementary question of the Minister of Trade and Commerce arising out of the reply he just gave to the hon. member for Trinity-Conception. Is it not a fact that the conditions attached to the tenders called by the Jamaican government require that a sample shipment be sent along with the tender, and that the closing date of today which he has just mentioned has the effect of preventing any such shipment or any tenders coming from Newfoundland?

Mr. Churchill: Mr. Speaker, I have not all the facts which appear to be at the disposal of the hon. member. I think in the course of the representations made by our trade commissioner to the officials at Jamaica some of these points were dealt with, and my hope is that some of those conditions might not have to be fulfilled prior to determining the tender.

[*Later:*]

Mr. Carter: Mr. Speaker, I am sorry I did not get all the answer the Minister of Trade and Commerce gave in reply to my question. I would like to ask him whether he would be good enough to inquire further into the details of those tenders required by the Jamaican government, and if he finds that the facts are as I stated them will he take further steps to make sure that Newfoundland fish will not be barred from the Jamaican market?

Mr. Churchill: Mr. Speaker, I will certainly do everything possible to make sure that the Newfoundland market for fish in Jamaica is protected, and I will make the investigation the hon. member has requested.

REFERENCE TO STATEMENT ON MISSION TO COMMUNIST CHINA

On the orders of the day:

Hon. L. B. Pearson (Algoma East): May I ask a question of the Minister of Trade and Commerce arising out of his statement in the house on November 1, at page 654 of *Hansard*, to the effect that in December, 1955, China was listed as falling within the responsibility of Canada's trade commissioner in Hong Kong. Can the minister explain, in view of that statement, why the report of the Department of Trade and Commerce dated March 1, 1957, lists the territory covered by this trade commissioner as Formosa, Cambodia, Laos, Viet Nam and Macao, and makes no reference to China at all?

Hon. Gordon Churchill (Minister of Trade and Commerce): I have simply relied on the information obtained on the action taken by the late administration.

CANCER

REFERENCE TO SURVEY ON RESULTS OF SMOKING

On the orders of the day:

Mr. Daniel McIvor (Fort William): Mr. Speaker, I should like to ask the Minister of National Health and Welfare a question. I hope he will forgive me for not giving him notice of the question, but he can take this as notice. The former minister of national health and welfare had one of his departments do considerable research on the effect of the use of tobacco on the cause of cancer.

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I assume that the hon. member is asking whether or not my department is making such a study. I shall certainly have the matter looked up and will then report to the hon. gentleman.

Mr. McIvor: Thank you.

GRAIN

GLASLYN, SASK.—ALLOCATION OF BOX CARS

On the orders of the day:

Mr. J. H. Harrison (Meadow Lake): Mr. Speaker, I should like to ask a question of the Minister of Transport. He may wish to take it just as notice. In view of a wire that I have received this morning—a copy of which I will send to him immediately after the orders of the day are concluded—which states that the town of Glaslyn has had only eight box cars for the delivery of grain since the opening of the crop year on October 1, as against 50 for the same period last year, I wonder whether the minister would look into that situation and see what can be done.

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I shall be glad to look into it.

STATEMENT ON 1956-57 WHEAT, OATS AND BARLEY POOLS

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Can the minister inform the house whether the Canadian wheat board will be making interim or final payments on the 1956 or 1957 crop in the very near future? I think it is unnecessary for me to point out to the minister the financial straits of many prairie farmers.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, this question, I think, was originally asked by the hon. member for Assiniboia (Mr. Argue) some time ago. I am prepared to give some information to the house on this important matter, after consultation with the wheat board in relation to the 1956-57 oats, barley and wheat pools.

The board states that with regard to the 1956-57 oats pool, there is still some selling to do before the pool can be closed out and that unless there is a sharp change in the market situation there may not be a surplus for distribution to producers. This results from relatively low prices during the selling period of the 1956-57 oats pool account and some increase in carrying charges for the account of this pool.

In regard to the 1956-57 barley pool, the situation is different. It is definitely in the black. Further selling is necessary, however, before the pool can be closed. It should be wound up before the end of the calendar year and the final payment made to producers.

The 1955-56 wheat pool account was closed as of May 3, 1957; therefore the 1956-57 wheat account has been under sale for a period of only about five and a half months. The volume of wheat in the 1956-57 pool is 519 million bushels. Having in mind the volume of wheat in the pool and the short time during which the pool has been under sale, hon. members will appreciate the fact that it is impossible at the present time to assess the pool in terms of an interim payment. I might add that in the case of the 1955-56 wheat pool an interim payment was

made. This payment was not established until February, 1957. The wheat board expects that another three or four months of selling experience is required before the 1956-57 wheat account can be examined from the standpoint of an interim payment.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to ask a supplementary question. In the light of the obvious decline in prices of grain generally, and the announcement that there will be no further payment on oats, will the minister say whether the government has considered the many requests of farm organizations that a deficiency payment be made at this time, which would in effect be an interim payment, on all these grains?

Mr. Churchill: Mr. Speaker, the question of deficiency payments has been raised on several occasions and brought to my attention. I notice it is receiving increasing emphasis at meetings of farm organizations. The government fully appreciates the condition in which agriculture has found itself over the last few years, and evidence of the government's concern was given last month when the proposal for making cash advances on farm-stored grain was put before the house, a proposal which was accepted as a suitable measure by hon. members opposite.

We are giving extremely close attention to agriculture in this country, and every suggestion that comes from farm organizations or from hon. members will receive very close attention. We consider that this is a matter which requires action at the present time if at all possible, and this government is quite prepared to do everything in its power on behalf of agriculture.

FISHERIES

INQUIRY AS TO INTRODUCTION OF COMPULSORY INSPECTION

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I wish to direct a question to the Minister of Fisheries. Can the minister advise the house if his department has taken any decision with regard to amending the regulations under the Fish Inspection Act in order to introduce during the 1958 season compulsory inspection of fresh fish and, if so, would he suggest what stage of the production, processing or marketing will be covered by such inspection?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, the matter is under consideration. I have not had notice of the question, but I will be glad to take what the hon. member has said as notice, and give him a reply at the first opportunity.

[Mr. Churchill.]

Mr. Robichaud: When the minister answers will he also state whether facilities will be made available to the fisheries council of Canada, fish dealers, and producers to appear before a committee of the house to discuss the amendments that will be made?

Mr. MacLean: I will take that also as notice.

LAMPREY EELS—INQUIRY AS TO USE OF POISONS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to address a question to the Minister of Fisheries. Has the minister any recent information on the effectiveness of poisons and are there plans to use them against the lamprey eel in inland waters, especially in lake Superior? I ask the question because of press reports of sensational success in the use of those poisons.

Hon. J. A. MacLean (Minister of Fisheries): A great deal of research is being done by the fisheries research board into this very vexing question of the infestation of the great lakes by lampreys. I am not familiar with the press reports to which the hon. member refers, but I will have the matter looked into and reply at a later time.

Mr. Speaker: Before I recognize the Minister of Transport may I say that two of the last three questions might much better have been put on the order paper. They do not have the urgency that requires their introduction at this stage. As the house will observe, we have now spent an hour on questions, and I hope members who still have questions in mind will consider whether they are properly asked here or might just as well be dealt with on the order paper.

ARTS, LETTERS AND SCIENCES

CANADA COUNCIL—SUGGESTED SCIENCE SCHOLARSHIPS

On the orders of the day:

Mr. Speaker: I call upon the hon. member for Macleod. May I say that effective Monday the microphone will be lowered somewhat to make it easier for hon. members to hear me when I am seated.

Mr. E. G. Hansell (Macleod): Mr. Speaker, I should like to direct a question to the Prime Minister. It is based on the fact that apparently the other day he declined to say whether the federal government is planning any assistance by way of scholarships in the field of science. Since there is an evident need for an acceleration of scientific studies and training in certain fields of science, would the government consider that the

awarding of scholarships in this field should be part of the responsibility of the Canada Council?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I think the suggestion made by the hon. gentleman is well based. However, I am not so sure that at the present time the granting of scholarships by the Canada Council will completely cover the situation in connection with scientific education. However, that matter and that suggestion will be looked into, and I thank the hon. member.

INCOME TAX

TRANSPORTATION AND LIVING ALLOWANCE DEDUCTIONS

On the orders of the day:

Mr. Claude Ellis (Regina City): May I direct a question to the Minister of Finance, arising out of his answer to a previous question regarding requests by trade union groups that transportation and living expenses incurred by travelling construction workers be allowed for income tax purposes? In view of what the minister said to the effect that an injustice exists, due, as he explained, to the bungling of the previous government, what action does the present government propose to take to right this wrong?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I pointed out to the hon. member when he asked this question the other day that this does not appear to be a problem which can be solved by regulation, as he suggested at that time. The matter has been carefully looked into to see whether there is any power open to the government to exercise by way of regulation, but the problem is a difficult one, having regard to the difficulty of defining what is intended to be covered. The whole subject is under careful study, as I indicated in my answer of several days ago.

Mr. Ellis: The minister states that this is not a question that can be settled by regulation. Does he then suggest it can be done by legislation? If so, what legislation or amendments does the government propose to bring in to meet this problem?

Mr. Fleming: The hon. member has been in the house long enough to know that legislation of the kind he asks for is not announced in advance, but only at a particular point in the session.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, some years ago similar concessions were made to railwaymen who had to stay over at the end of their runs, and my understanding is that that was done by regulation. Is this problem not analogous to that one?

Mr. Fleming: I think the hon. member will recall that legislation was passed on this subject in the house about a year and a half ago, introduced by the former minister of finance, despite opposition from the then official opposition. The subject is not a simple one to deal with now in the light of all the circumstances, but the matter has been under very close study for some time, and representations have been received from various interests, not simply from labour but from the construction industry. These representations have been very carefully considered and weighed.

Mr. Coldwell: That does not deal with my point about the railwaymen.

Mr. Fleming: As far as the railwaymen are concerned I recall the matter, because I had something to do with raising the question myself then. As I remember the circumstances—I will not attempt to comment now merely from recollection—so far as persons incurring expenses in the course of being transported and being recompensed for these outlays is concerned, there is no problem in that respect, where the transportation is undertaken in pursuance of duties as employees.

The problem that is under consideration now, however, relates to the construction worker who is living away from home in the course of his employment and receives from his employer an allowance for board and lodging, the question then being whether he should be relieved of taxation on the income he receives for board and lodging. That is the problem, and there are very considerable difficulties involved in regard to the definition drawing the line.

I would ask my hon. friend to recognize that the problem is not nearly as simple as it may appear on the surface, and it is because of those complications that the matter has had to be given extended consideration. It is not a problem of our creation.

AGRICULTURE

CHEESE—REQUEST FOR INCREASE IN SUPPORT PRICE

On the orders of the day:

Mr. E. B. Huffman (Kent, Ont.): Mr. Speaker, I would like to direct a question to the Minister of Agriculture, and, in his absence, to his parliamentary assistant. It has been indicated that the government of the province of Ontario is withdrawing its support on cheese. If this is true, is it the intention

of this government to increase the support price to offset the effect of Ontario's withdrawal on this very important commodity?

Mr. John Charlton (Parliamentary Assistant to the Minister of Agriculture): Well, Mr. Speaker, this again is a matter of government policy. I am not suggesting that the statement the hon. member has made is not correct, but I will look into it, and the government, when it changes its policy, will announce it in the house.

Mr. Martin (Essex East): What is the policy?

PENSIONS

INTERCOLONIAL RAILWAY EMPLOYEES—REQUEST FOR INCREASE

On the orders of the day:

Mr. H. J. Murphy (Westmorland): Mr. Speaker, I would like to ask a question of the Prime Minister. Will the government introduce legislation this session to increase the pensions paid by the government to former employees of the Intercolonial Railway, which he himself has termed totally inadequate; and does he not consider this to be emergency legislation?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, this is another of those questions which use up the time of the house.

Some hon. Members: Oh, oh.

Mr. Gauthier (Portneuf): Promises.

Mr. Diefenbaker: It is another of those improper questions that are being asked as to what is going to be done by this government in the future.

Mr. Gauthier (Portneuf): Promises.

Mr. Diefenbaker: I might say, Mr. Speaker, I am glad to see the desire on the part of the hon. member which was not apparent in the house under the last government for action in this regard.

Mr. Pickersgill: Who is using up the time of the house now?

Mr. Murphy (Westmorland): It was; read your *Hansard*.

Mr. Diefenbaker: I would simply point out that when a decision is made it will be announced to the house.

Mr. Gauthier (Portneuf): Promises.

Mr. Murphy (Westmorland): Read your *Hansard*.

Mr. Speaker: I am not sure whether the right hon. Prime Minister is raising a point of order, but I do suggest to the house that the general question of whether or not the government intends to introduce legislation seems to me to be improper in the question period, because it is asking the government to announce its policy at question time.

Mr. Pickersgill: That has been done from time immemorial.

Mr. Speaker: I think the question of how far matters of policy can be raised during question time is a rather difficult one. I do not propose to make any ruling, but I would like to take an opportunity soon to give my views on the subject and see if I can clarify the difference between asking the government its intention with respect to its administration and daily responsibilities, and asking it to declare broader matters of policy which obviously cannot be dealt with at question time. If the house will allow me to prepare something for its guidance on that subject and submit it to the house I welcome the opportunity.

Mr. Gauthier (Portneuf): I think the difference is the promises they make.

CANADIAN NATIONAL RAILWAYS

MONTREAL—REPORTED CLAIM FOR DAMAGE TO CATHEDRAL

On the orders of the day:

Mr. Raymond O'Hurley (Lotbiniere): Mr. Speaker, I wish to seek some clarification from the Minister of Transport concerning a rumour spread by a Montreal newspaper to the effect that damages have been claimed by the authorities of the Montreal cathedral against the Canadian National Railways authorities responsible for building the new Queen Elizabeth hotel. Is the minister aware if such damages have occurred and if a claim has been made? If this is the case, will payment be considered?

Hon. George H. Hees (Minister of Transport): I wish to thank the hon. member for his courtesy in advising me of his intention to ask this question. When I heard of this story this morning I made inquiries, and the management of the Canadian National Railways advise me that there has been no damage to the cathedral; that there has been no claim and, of course, no payment made. The management further advise me that the closest co-operation has been maintained between the railway and the diocese throughout the construction of the hotel, and that that co-operation is very much appreciated by the management.

HEALTH AND WELFARE

AIR POLLUTION, TORONTO—REQUEST FOR FEDERAL CO-OPERATION TO REDUCE HAZARD

On the orders of the day:

Mr. Stanley Haidasz (Trinity): Mr. Speaker, I should like to ask the Minister of Transport whether, in view of the reports of Mr. Belyea, chief air pollution control officer of the municipality of metropolitan Toronto, that the tremendous amount of the air pollution coming from the railway roundhouses and locomotives in the city of Toronto is alarming; in view of the fact that an Ontario legislature select committee on air pollution and smoke control noted that "in Ontario, railways still operate under the provisions of an obsolete order of the board of transport commissioners of 1908" which reduces the efficacy of smoke-control laws in Toronto; and in view of the possible air pollution by ships that will be coming to the Toronto harbour when the St. Lawrence seaway project is completed, he will ask his officials to look into the matter and co-operate with the air pollution control officer to reduce this hazard to health and property.

Hon. George H. Hees (Minister of Transport): Yes, Mr. Speaker, I will be very glad to do that.

PUBLIC SERVICE

POST OFFICE DEPARTMENT—REQUEST FOR REINSTATEMENT OF DISMISSED EMPLOYEE

On the orders of the day:

Mr. E. B. Huffman (Kent, Ont.): Mr. Speaker, may I direct a question to the Minister of Public Works. This question follows the question of the hon. member for Rosetown-Biggar (Mr. Coldwell) on November 6 regarding the dismissal of a government employee in Brantford. In his question the hon. member for Rosetown-Biggar asked specifically about one employee. It does appear that there was more than one involved in the dismissal and rehiring. When the minister is replying will he include all who were concerned in this issue?

Hon. Howard C. Green (Minister of Public Works): I will be very glad to do that, Mr. Speaker.

SOCIAL SECURITY

FAMILY ALLOWANCES—INQUIRY AS TO PROPOSAL FOR INCREASES

On the orders of the day:

Mr. H. J. Murphy (Westmorland): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare.

Inquiries of the Ministry

Is the minister aware that the purchasing power of family allowances is being destroyed by inflationary pressures, and what action does he propose to take to increase family allowances?

Mr. Speaker: Order.

Mr. Bell (Saint John-Albert): Why don't you read Beauchesne?

Mr. Murphy (Westmorland): I read the Conservative promises.

LABOUR CONDITIONS

CANADIAN NATIONAL RAILWAYS—STATEMENT ON REQUEST FOR EARLY CONSTRUCTION OF YARD AT MONCTON

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, yesterday the hon. member for Westmorland (Mr. Murphy) asked me if it was the intention of the Canadian National Railways to undertake a $17 million extension of freight yard facilities at Moncton. I am sure he has seen the announcement in this morning's press that the Canadian National Railways are undertaking such an extension.

POWER

LACHINE SECTION, ST. LAWRENCE RIVER—STATEMENT ON APPLICATION BY QUEBEC

On the orders of the day:

Hon. Howard C. Green (Minister of Public Works): On November 1 the hon. member for Laurier (Mr. Chevrier) asked me this question:

> Can the minister tell the house whether the government of the province of Quebec has made an application to his department under the Navigable Waters Protection Act for the development of power in the Lachine section of the St. Lawrence river?

I answered on November 5 to the effect that there had been no such application. The hon. member then asked me a supplementary question as to whether, falling short of a formal application, representations have been made in that direction to the Department of Public Works. The answer to that supplementary question is yes. In 1956 the Quebec Hydro Electric Commission asked what technical demands or requirements would be imposed on the commission by the Department of Public Works in connection with the Lachine water power project. The reply was made that the interests of the Department of Public Works would appear to be limited to the protection of navigation, but other departments would also be concerned. Nothing further transpired between the Department of Public Works and the Quebec Hydro Electric Commission.

Pension Act

PENSION ACT

AMENDMENTS RESPECTING DEPENDANTS, ETC.

The house resumed, from Wednesday, November 6, consideration in committee of the following resolution—Mr. Brooks—Mr. Courtemanche in the chair:

That it is expedient to introduce a measure to amend the Pension Act to place dependants of persons who served in world war II in a position comparable to that of dependants of persons who served in world war I in cases of disability or death due to improper conduct; to ensure that pensions may be paid to the dependants of deceased members of the forces resident and domiciled in Newfoundland; to provide for the continuation of disability pensions and widows' pensions to the end of the month in which death occurred except in cases where no additional pension for dependants is payable; to provide for the payment of pension to the daughter of a pensioned widower where the domestic establishment is maintained after his death; to provide for an increase in the clothing allowance on account of amputation or use of appliances; to provide for an increase in the allowances for funeral and burial expenses; to remove the limitation on the amount of pension payable to a dependent parent of a deceased pensioner after discontinuance of pension to other dependants; to authorize payment of widows' pensions at current rates upon reinstatement of discontinued pension; and to remove the limitation on payment of pensions to or in respect of children born after a specified date, or to wives whose marriage to a member of the forces or a pensioner took place after a specified date; such measure to include, in addition, certain consequential and clarifying amendments.

Mr. Tucker: Is the minister not going to make a statement?

Hon. A. J. Brooks (Minister of Veterans Affairs): Yes, Mr. Chairman, I am pleased to make a statement. This resolution is somewhat extensive, because it lists the majority of the features in the amending bill. Many of these have been designed to clarify sections of the act in which some doubt regarding interpretation has existed. My intention is to outline the main features and, after listening to the remarks of hon. members, to give more detailed information and costs on second reading and when the bill is in committee.

The purpose of the bill is to provide, in general, for additional benefits for former members of the forces and their dependants, and to bring other benefits more in line with the increases in the basic scale of pensions for disability and death which became effective last July. I should like now to quote from the resolution.

. . . to provide for the continuation of disability pensions and widows' pensions to the end of the month in which death occurred except in cases where no additional pension for dependants is payable . . .

The act at the present time provides that an award of disability pension shall cease on the date of death, and it then becomes the responsibility of the commission to determine whether death was attributable to service.

1. The dependants are pensionable when death was attributable to service irrespective of the rate at which pension was in payment at the date of death.

2. The widow and children are pensionable when pension was in payment at 50 per cent or more at the date of death.

The amendment, as it stated in the resolution, provides for the continuation of pension to the end of the month in which death occurred provided additional pension was in payment for the dependants. In a number of cases, death has no service relationship, and the effect of this amendment will be to permit the continuation of the pension income to the home at a time when there is great distress and, in a number of instances, need.

I quote another clause of the resolution:

. . . to provide for an increase in the clothing allowance on account of amputation or use of appliances. . . .

The act at the present time makes the following provision for wear and tear of clothing:

1. For leg amputation cases, $72 per year.

2. For arm amputation cases, $30 per year.

3. For other pension cases wherein the wearing of an appliance causes excessive wear and tear of clothing, not exceeding $72.

These rates have been in effect for some years and the intention is to increase them.

A further clause in the resolution reads:

To provide for an increase in the allowances for funeral and burial expenses . . .

The act gives the commission discretion to pay an amount not exceeding $185 when a disability pensioner dies and his estate is not sufficient to pay the expenses of his last sickness and burial. This total is made up of the following maximum payments:

1. $110 in respect of funeral services.

2. $25 for cemetery charges.

3. $50 for the expenses of the pensioner's last sickness.

Those are the present rates, Mr. Chairman. The intention is to provide for an increase in these allowances in order that they may be more closely related to those paid by the department and to present day conditions.

I quote further from the resolution:

. . . to remove the limitation on payment of pensions to or in respect of children born after a specified date, or to wives whose marriage to a member of the forces or a pensioner took place after a specified date . . .

This, I may say, is to do away with the world war I date line or deadline, as it is sometimes called. The act provides in the

case of a world war I disability pensioner that no additional pension shall be paid when marriage or remarriage takes place on or after the 1st day of May, 1954. This restrictive measure was first introduced on May 1, 1933. It was subsequently advanced to the 1st of May of the following years, 1944, 1948, 1951, and now stands at May 1, 1954. The restriction in the statute applies to world war I pensioners and not to world war II pensioners. There is no date line as far as world war II pensioners are concerned.

The intention is, as intimated in the resolution, to remove the time limitation. There is provision in the Pension Act against so-called death-bed marriages which gives the commission discretion where the death of the husband has occurred less than one year subsequent to the date of marriage.

Provision is made in the bill for the amendments to the Pension Act which became effective on July 1, 1957, by authority of Appropriation Act No. 4, 1957. This was under Bill No. 418, to which we referred previously, and item 670 of the supplementary estimates at that time. This is part of the tidying up process, incorporating into the Pension Act payments which are being made as from July 1.

The other amendments, as I stated earlier, are mainly clarifying and do not infringe on any existing benefits, nor do they incur any added liability. I will be very pleased to give further information on second reading and when the clauses of the bill are before the committee.

Mr. Tucker: Mr. Chairman, at the present time I wish to deal more with what the resolution does not do than what it does do. What it proposes to do is the sort of thing to meet difficulties that have arisen in the administration of the act and remove apparent inequities in cases affecting small groups who are benefiting from the Pension Act, or should benefit. It is the sort of thing that has to be done from time to time with respect to a statute like the Pension Act. Some of the provisions have to do with such things as increasing the clothing allowance in the case of a person drawing a pension in respect of an amputation, and are related to the rising cost of living.

These provisions are important, but they do not affect the general body of pensioners. However, to the extent that they meet certain needs of the various groups with which they deal, in accordance with the past attitude of the party with which I am associated these measures will receive very strong approval.

As I see it, the difficulty about the resolution is that in dealing with basic rates of pension it only goes so far as to confirm what was done by the last government before the election, and it does not propose to increase the basic rates at all. In view of the strong attitude taken at that time by the members of the present government when in opposition in finding fault with the increases in basic rates brought into effect by the then government, I think people generally expected that the basic rates would be dealt with.

Hon. members will recall that at that time fault was found because it was said that the raising of the basic rates was an urgent matter and the government had not gone far enough, and the promise was held out that if the Progressive Conservative party was elected this matter would be dealt with at once. The cost of living has been rising steadily since then. If the matter was as urgent as was represented by the present members of the government, who were then in opposition, it is difficult to understand why the government has not dealt with this matter. The government has continually held out the idea that it is proceeding to carry out the promises on which it was elected.

There has been some suggestion that there is going to be a sudden election. However, even if things go as well, and along the lines indicated by the present Minister of Veterans Affairs, and there is a session after Christmas at which the matter is considered by the veterans affairs committee, the earliest date on which these pensioners can receive the benefit of any increase, which government supporters said this spring was so important, will be one year from that date. In other words it will be the following spring. I am sure this will come as a surprise to the veteran and a surprise to the whole country, especially in the light of what was said by the present Prime Minister during the last election campaign. For example, in a telecast on May 22, 1957, the present Prime Minister dealt with this matter. I shall quote from what he said:

> We believe the old age pension is inadequate. We intend, this September, to call together parliament, and there and then fix a fair and reasonable amount for the old age pensioner,—

Then he goes on to say:

> —indeed for the other pensioners, and also make provision for a formula whereby due allowance will be made in the future for the rising cost of living, providing that it continues.

If ever a person could make a definite pledge, Mr. Chairman, it would be when he carefully considered what he was going to say in a telecast to the nation. The statement is in such definite terms—"indeed, for other pensioners". What was going to be done for other pensions?

Mr. Brooks: May I point out to the hon. member that he was speaking of old age security and other pensioners, blind pensioners, disabled persons. The pension has been raised from $46 to $55, and the bill is already through the house.

Mr. Tucker: I would point out to the minister that the Prime Minister, speaking on behalf of the Conservative party, mentioned the old age pensioners, and indeed other persons. Now then, other pensioners, outside of old age pensioners, would be blind pensioners. Would my hon. friend suggest that when the present leader of his party was speaking of other pensioners he was referring only to the small group of blind pensioners, and that his remarks had no reference to the great group of ex-service pensioners? Surely the ex-servicemen are an important body of pensioners.

Mr. Brooks: That is going to be given careful study.

Mr. Tucker: My friend says that is going to be given consideration.

Mr. Brooks: Careful study.

Mr. Tucker: Only careful study?

Mr. Brooks: Study and consideration.

Mr. Tucker: We were promised more than study. Let me read again to hon. members what was stated. Why are these promises being whittled down to cover only blind pensioners when the Prime Minister said "...indeed, for other pensioners"? Are not ex-servicemen other pensioners? Here is what the leader of the Conservative party said:

> We intend, this September—

A session was not called in September because of Her Majesty's visit. We now have a session called, and it was called as soon as possible to carry out the promises.

> —and there and then—

No doubt about that.

> —fix a fair and reasonable amount for the old age pensioners, indeed for the other pensioners.

Does the minister say that, here and now, they are fixing what they consider to be a fair and reasonable amount for the service pensioners? Then let me read to the minister what his leader said to the nation concerning another matter which was to be considered at the session this fall. There was going to be action, and here is what his leader said:

> . . . and also make provision for a formula whereby due allowance will be made in the future for the rising cost of living, providing that it continues.

Everyone knows the cost of living is continuing to rise. Figures put on the record by various hon. members, and indeed by the Minister of National Health and Welfare on November 4, showed that the consumer price index has continued to rise. On the basis of 1949 being equal to 100 the index had risen in 1955 to 116.4, and now stands at 122.6. If this matter was so urgent this spring it is even more urgent now. The minister's leader said that, there and then—he meant at a session in September—he was going to make provision for a formula whereby due allowance will be made in the future for the rising cost of living, provided it continued. There is a definite pledge to the people. I think the present Prime Minister, who was then leader of the opposition—

Mr. Brooks: I should like to ask the hon. member a question. Did his government take into consideration the rising cost of living when they increased the pension as of July 1? If they did, it has not been very long from July 1 to date.

Mr. Tucker: The point with which I am dealing is that the increases which were brought into effect at that time were denounced by hon. members opposite. It was in the light of these increases that the Prime Minister made this telecast. In other words, these increases had already been brought forward, and it was in the light of these increases which were denounced by the present members of the government as inadequate that their leader made this speech.

Mr. Brooks: I think, Mr. Chairman, the hon. member is implying that the increases were not sufficient. What representation did he make to his government before July 1 as to the insufficiency of the amounts? Did he make any? I doubt very much that he did.

Mr. Tucker: I am not debating the action that was taken at the spring session of parliament, because what was done then was placed before the people.

Mr. Bell (Saint John-Albert): It sure was.

Mr. Tucker: Hon. members opposite are gloating over the results of that election. They held out certain promises to the people, and all I am saying is this, that people who gloat over being elected as a result of these promises should be the first to stand up and say "Now, let us fulfil the promises on which we did get elected".

Some hon. Members: Hear, hear.

Mr. Tucker: The attitude of their leader was very definite on this matter. For example, he is reported as having said this at Victoria on May 22, 1957, at about the time of this other telecast. He is reported as saying "We

will provide fair and realistic pensions based on the cost of living and a fair comfort in living". Then he went on to say this:

I say our promise will be carried out. That is my idea of public life. Promises must bear a distinct mark of responsibility.

Here was their leader not only holding out these promises but saying:

I say our promise will be carried out. That is my idea of public life.

Mr. Brooks: We have made a good start on them.

Mr. Tucker: My hon. friend is saying they have made a good start.

Mr. Brooks: In a few months, we have done more than you did in 22 years in some of them.

Mr. Tucker: But his leader said, "I do not believe in making irresponsible promises; what I promise will be carried out".

An hon. Member: That is what we are on now.

Mr. Tucker: What was his promise? His promise was that at the session in September, there and then, pensions would be increased and they would be tied to the cost of living or a formula would be established "whereby due allowance will be made in future for the rising cost of living providing that it continues". I wonder whether my hon. friends opposite, in their minds, really believe that a promise to study this matter and perhaps do something about it a year later is carrying out a promise that within a matter of four months this matter would be dealt with in a certain definite way, namely by increases with provision for a formula in the acts tying the pension to the cost of living.

Mr. Brooks: On a question of privilege, Mr. Chairman, may I say this. The hon. member has taken a sentence out of context. As I remember it, the Prime Minister was speaking of old age security at that time, and he said that old age pensions and other pensions which he had been mentioning would be dealt with at this session. They have been dealt with.

Mr. Martin (Essex East): Oh, no; they have not been dealt with. The promises have not been carried out.

Mr. Tucker: Mr. Chairman, I am only dealing with this matter as I read it.

Mr. Brooks: You are taking one sentence out of a whole context.

Mr. Tucker: No. When the Prime Minister said, as I read to the house, that this September he would deal with old age pensions and indeed with other pensions, is my hon. friend suggesting that people listening to that speech would know that he did not mean veterans pensions?

Mr. Brooks: Having heard his previous remarks, yes. You have taken only one sentence out of the whole context.

Mr. Tucker: I have read the whole thing having to do with what the present Prime Minister said. He said this, and I take it that he said it deliberately. He spoke first of the old age pensioner, and he said, "indeed for the other pensioners". Is my hon. friend trying to tell us now that his leader intended to say that they were going to increase old age pensions and were going to tie them to the cost of living, but that he had no intention of doing anything like that for service pensioners, or in other words that he did not intend to do as much for service pensioners as he was doing for others?

Mr. Brooks: The Prime Minister realized that there could be a review of the Pension Act. Such a review of the Pension Act takes a considerable time. It is with regard to the veterans pensions. As I stated in this house, Mr. Chairman, it is the intention to review the Pension Act at the next session.

Mr. Pickersgill: That is not what you said before June 10.

Mr. Tucker: That is, of course, exactly what I have been trying to say, namely that his leader held out one promise to the people and that now it is not being carried out in this legislation. If the minister admits that they are not keeping this important promise, I am satisfied. Surely the keeping of a promise to increase the basic rates and to tie them to the cost of living this fall was much more important than clearing up the small points, important as they are, which are dealt with in this legislation. Surely the raising of the basic rates affecting all pensioners, which rates were held out by hon. members opposite when they were in opposition as being so inadequate, was an important matter. As to the promise they made that they were going to be dealt with this fall, surely if they were going to deal with them at all they should have dealt with the main point of attack they made on the government last spring and during the election campaign.

Mr. Brooks: Your government considered them adequate to July 1, or just a few months ago.

Mr. Tucker: Mr. Chairman, I believe in democracy as, I think, do most of us here. When our government set the amount which they indicated was as far as they were ready

to go at that particular time, the hon. member's leader and his associates said, "We think something should be done this fall to go much further", and the people indicated their approval. Now I am just asking them to do what they promised to do, on the basis of which they are sitting where they are today. That is all I am doing.

Mr. Bell (Saint John-Albert): The people also indicated disapproval of you.

Mr. Lambert: On a point of order, Mr. Chairman, may I ask the hon. member whether he would not agree that if everyone in this house had the opportunity to speak, and spoke as long as has the hon. member, we would not get even the emergency legislation through at this time.

Mr. Pickersgill: More closure.

Mr. Tucker: I do not intend to deal with the point of order, Mr. Chairman, because I do not think it can be said the opposition have unduly held up the war veterans allowance bill. On the first day it was introduced it went through all stages, or rather it went through second reading, the committee stage and, by consent, third reading. I wonder whether it is fair to make a statement such as the one which has just been made, in view of the fact that there is that co-operation shown not only by the party with which I am associated but by all parties in this house to forward this legislation. Is my hon. friend suggesting that when his government speaks nobody else dare say anything, that they must just say "Aye"?

Mr. Brooks: No, no.

Mr. Lambert: He can speak on the whole problem, as suggested by the hon. member.

Mr. Tucker: After listening to his leader indicate his disapproval of that idea, suggesting that members should be heard from and that whatever the government said should not be accepted without comment, I think such a suggestion should come from any place else in the whole house but from the place whence it came, right behind his leader.

Mr. Small: What a transformation.

Mr. Tucker: I agree with that statement. It is indeed a transformation.

Mr. Small: On your part.

Mr. Tucker: It is indeed a transformation, having heard day after day about the fact that hon. members were not saying enough, that the government was having its way without the members being heard from enough. Then when a spokesman for the official opposition is pointing out that it would be a good thing for the government to carry out its promises, a man on the opposition side of the house rises and objects to 40 minutes being taken to deal with this most important matter. Verily it is a real transformation.

Mr. Small: You are not suffering from closure at the present time.

Mr. Tucker: Of course, Mr. Chairman, I am not surprised that hon. members opposite, faced with this situation wherein there is an open breach of a promise they made to the veterans of this country, should be raising all these spurious points of order and trying to divert me from presenting that viewpoint. I don't blame them, but it just shows how uneasy they are in their own consciences about the thing they are bringing forward.

Mr. Chairman, when the suggestion of increasing these pensions was brought in by the last government, it was dealt with as an emergency measure because it was thought that there should be an election, and rather than have the pensioners wait for an increase until after that was over, an increase was given. That was an emergency, because in order to have an election in June, as was asked for by all parties—the present government party was as anxious to have an election as anybody else—it was necessary to dissolve parliament in April, and accordingly the increase had to be granted before that date. But despite these circumstances there were demands that the matter should go before a committee. Surely there is more time now in which to deal with this question than there was last spring.

Then again there were demands and statements that the amount should be raised because it was not enough. I do not think it can be denied that the present leader of the house and Minister of Public Works was one of the outstanding and acknowledged spokesmen for his party on veterans affairs. His position was such that he was recognized as one of the real spokesmen of the Progressive Conservative party on this matter. What did he say with regard to the announced intention by the government of that time, as an emergency measure, to tide over the veterans until this matter could be dealt with in the ordinary way by a veterans affairs committee? I am satisfied, Mr. Chairman—

An hon. Member: Then sit down.

Mr. Tucker: I know you would like me to sit down. But it is strange, this feeling on the part of the Progressive Conservatives that they do not like any one to speak in this house except themselves.

In any event, if I may go on, Mr. Chairman, when this emergency provision was

suggested to the house, what did the present Minister of Public Works have to say about it. On April 12, 1957, as recorded in *Hansard* at page 3477, he said:

> Let us take, for example, amendments to the Pension Act. The Legion asked that the increases should be 33⅓ per cent. The supplementary estimates provide for increases of a much smaller amount.

He then went on to speak about other matters that should be dealt with in regard to pensions, and said:

> I can only regret that under the method now being followed the problems of these veterans are being shoved aside, and I can certainly promise that should we be responsible for forming a government after the election, veterans legislation generally will be thoroughly reviewed and there will be a standing committee of the house to deal with these questions.

The present Minister of Agriculture was another acknowledged spokesman on behalf of the Conservative party. What did he say about the proposed increases at that time? At page 2919 of *Hansard* of April 1, 1957, he is quoted as saying:

> I was glad to see that there were some increases in benefits for the veterans in this budget. However, once again they fall far short of what was requested by the Legion and other veterans organizations and what was necessary to compensate the veterans for the increases which have taken place in the cost of living.

He went on to say:

> I call upon the Minister of Finance and the government to restore veterans pensions to their original position in purchasing power and relative to civilian wages. Until this is done I think it is futile for government speakers, as they have done so frequently in the past, to go about this country boasting that our treatment of veterans and returned men is the best of any country in the world.

Then, with regard to pensions, I should like to read to hon. members a further passage, because some of them may not have heard this or might not have had it brought to their attention. It reflects the attitude taken by their leader, the present Prime Minister as reported in *Hansard*, page 3405, on April 11, 1957:

> There is no adequate opportunity for discussion here. These pension increases deserve an opportunity for full discussion. They should have been placed before committees of the house in order to enable representatives of the people to attend here, give evidence and express their views with regard to the inadequacy of the increases. I say that the attitude taken by the government is a cynical disregard of the parliamentary function of careful and meticulous examination.

If this was the opinion expressed in this house about those increases, namely that they were inadequate, then what about the attitude of the government now in saying that they are going to do nothing about it, although they are dealing with these matters, until some time next spring? Let us take, for example, once again, the attitude then taken by the present Minister of Public Works. He said—and I do not wish to take too long in citing these various statements—

An hon. Member: What did you say?

Mr. Tucker: I understand. You don't like the quotations. You don't like to hear quotations from your present leaders showing what they said while in opposition. If it was something said before the election that would gather votes, you were ready to cheer. Now, when it is a matter of delivering the goods, you don't want to hear them.

An hon. Member: You don't want us to deliver the goods.

Mr. Tucker: That is what I am asking you to do. The bill deals with relatively small, though important, matters, and the main thing you said you were going to deal with you say you are going to let stand till next year—

The Chairman: Order. I am sorry to interrupt the hon. member, but his time has expired.

Mr. Macdonald (Vancouver-Kingsway): Mr. Chairman, before making a few remarks on the subject matter of the resolution now before us, I should like to say that the C.C.F. group was originally to have been led on this important question by the hon. member for Burnaby-Coquitlam, but he is away today attending the NATO conference. I have been asked to substitute for him, and I do so with pleasure.

We are grateful that the government has indicated in resolution No. 9 that some of the problems which arise in connection with the Pension Act will be dealt with very shortly, but I think it must be a matter of keen disappointment to hon. members and to all veterans that no provision is being made in this resolution for an increase in the basic rate of disability pension. I do not propose to take seriously what has been said on the subject by the hon. member for Rosthern—

An hon. Member: Nobody does.

Mr. Macdonald (Vancouver-Kingsway): It is very hard to take seriously his complaints on that subject when for so long his government failed to bring these disability rates up even to the level of those paid for common and unskilled labour. And that should be the test under this act.

This act gives veterans, as a right, not as a matter of charity or social assistance, an amount which is supposed to put them in as good a position as if they had not suffered their war disabilities. Unfortunately, the rate of pensions has gradually lagged behind the

cost of living on one hand and the rate for even common labour at union rates on the other; it has lagged behind the increase in our gross national product, and again I say it is a matter for keen disappointment that this government has not seen fit to go further at this time than the Liberal government did on March 14 of last year.

In the short time that has elapsed since March 14, 1956, the cost of living in Canada has increased by approximately 4 per cent. This means, for instance, that the rate of $200 a month for a totally disabled married veteran since that time has already suffered a shrinkage of $8. In the light of what has been said previously by prominent members of the Conservative party, and in the light of their attacks on the inadequacy of the increase of March 14, 1956, which became effective in July, I do not think they are justified in failing to bring in further increases at this time.

The proposal of the Canadian Legion that the increases instituted in March, 1956, should have been 33⅓ per cent and not an average of 17 per cent, which was as far as the government of that day was prepared to go, represents a modest request. As a matter of fact it strikes me that the veterans of Canada have a most honourable and enviable record in the matter of the requests they have made to governments of Canada for adjustments in pension rates. They have not made the excessive demands which I think have been made in some other countries; instead, they have merely asked that the disabled veteran be placed in the position where he has not actually suffered loss as a result of his war service and, of course, monetary pensions must fall far short of that. In view of the rise in the cost of living since the Legion first requested a 33⅓ per cent increase their present request in my opinion is a very modest one.

We are opening up the Pension Act by means of this resolution for many rather detailed and complicated changes. It seems to me, therefore, this is clearly a case where a standing committee on veterans affairs should have been appointed, or at least a special committee should have been called together to consider the bill the minister will present to the house. We do not want to delay the passage of any legislation designed to improve the Pension Act, but we have been sitting in this session of parliament since October 14, which would have provided ample time for a special committee to be called together to consider this legislation. I am convinced that the representatives of the veterans organizations would be pleased to come to Ottawa quickly and present their views, and I believe the committee could be called together, perform its function and report back to the house within a period of two weeks. In view of the ambiguities which do undoubtedly still exist in the Pension Act it is a pity the government has not yet proposed that this procedure be followed.

I would now like to refer to what was said by the present house leader on July 11, 1956, as reported at page 5867 of *Hansard* of that date. The hon. member informed the house in extremely definite terms:

> When we form a government, we certainly will have a full-time Minister of Veterans Affairs and we certainly will have a standing committee on veterans affairs.

Unfortunately there are many wrinkles in the Pension Act that are not going to be ironed out by the measures indicated in this resolution, and when you try to deal with an act as complicated as this on a piecemeal basis without it being referred to a committee for thorough study, you are bound to leave many injustices in the wording of the act.

I would like to briefly refer to some of the good things in the resolution before us. Of course we are all pleased that the veteran of world war I who did not embark on the sea of matrimony until after May 1, 1954, is finally going to get some recognition for his wife. It is surely a praiseworthy matter that such a veteran did not reach a decision to marry too quickly, that some have given long and careful consideration to this important step. However, the resolution does not propose that any recognition will be accorded to the children of such veterans. Are we to assume that a veteran of world war I who did not marry until after May 1, 1954, cannot have children? I think we would be making a big mistake if we decided this, because this philosophy has been contradicted many times already in this country. I would ask that this part of the resolution be extended so the families of such veterans may be protected.

Another matter not dealt with in the resolution is the status of the common law wife of a veteran. Under the Pension Act the common law wife of a veteran is recognized if they lived together as man and wife at the time of enlistment and she had then been publicly known as his wife. Unfortunately there are many cases of veterans who, finding themselves unable to marry, live in a common law union after their service to their country has been rendered, and their wives are not recognized as having official status under the act. It is unfortunate that in legislation in the parliament of Canada we

should have to consider giving recognition to the position of common law wives, but as long as we have medieval divorce laws in this country, as long as divorce cannot be obtained even on the grounds of incurable insanity, in the case of a wife deserted without means by her husband or even on the ground of cruelty resulting in a breakdown of health, we must realize that common law liaisons are bound to take place. Many children have been born to common law unions and have grown up to become good citizens. It seems to me this resolution should go further and accord recognition to the common law wife of a veteran who has lived with him and perhaps done a fine job in raising a family but, due to the archaic divorce laws prevailing in Canada, the couple have not been able to have the union regularized.

There is another case I think should be dealt with, and I hope the government will consider including a clause in the bill when it is introduced in this house to cover the situation. That is the case of a British subject who joined the British forces in world war I and who was not at that time a Canadian. He might have been living in England and joined the British forces but since world war I has been living in this country, has become a Canadian citizen and been domiciled here. Such a veteran may receive a modest pension from the British government but he is not recognized at all under our Pension Act; the supplementary sections of that act, Nos. 50 to 53, do not help that particular individual. Surely he is a deserving case. There are many veterans who joined the forces of the British commonwealth, probably in England, before or at the time of the outbreak of world war I and who at the present time are in receipt of pensions from the British government of not more than $4, $6 or $8 a month.

I am particularly pleased to see that the government in this resolution proposes an increase in the clothing allowance for amputation cases and I suppose that allowance would also be increased for paraplegics, but I am afraid it does not fully cover the needs of this particular class of veteran. A married paraplegic veteran is considered totally disabled.

He would receive $200 a month and in addition $120 a month helplessness allowance. But I respectfully suggest to the government, Mr. Chairman, that this is not adequate. In addition to the wheel chair, of course, these people need special housing; they need ramps in their houses; they need larger doors. They cannot move into houses that have too small rooms and they require transportation by automobile, perhaps with special equipment in it, not as a luxury, as is the case with other people, but as a matter of necessity.

Therefore I would hope the government, through the minister, when they introduce the bill will give further consideration to increasing the helplessness allowance of the paraplegic cases. I understand that at the present time—and I hope I am wrong—these cases do not receive the full helplessness allowance unless the veteran is completely and at all times bedridden. Perhaps when the minister makes his statement he will clarify that point because, if it is the case, I think it is a most unjust situation.

Another point I think should be dealt with when the government brings in the bill is the vexed question, which has been raised many times by members now sitting on the government side, of diseases or injuries of pre-enlistment origin. Many claims are rejected, of course, by the pension commission at the present time because they rule that the disease or injury was of pre-enlistment origin. Yet the man will have had his medical examination when he enlisted in the forces, and that disease or injury would not appear on the medical report. We say that in such a case there should be a presumption, if the injury or disease does not show up on the medical examination, that it was not of pre-enlistment origin.

The house leader, then the hon. member for Vancouver-Quadra dealt with this question in 1956, at page 5868 of *Hansard*, in these words:

> I believe the time has come to write into that act a presumption that injury or disease occurred after enlistment.

I could go further into the quotation, but this indicates his thinking at that time. This is an additional reason why a committee, even a special committee, of this house is badly needed, so that in addition to the improvements in the legislation which the government is indicating in the resolution, other improvements can be made to make this a model piece of legislation for the disabled veteran.

I should like to close, Mr. Chairman, with one final point. I regret that the resolution does not deal with the retroactivity of the pension awards. When an applicant applies to the pension commission he may find that to establish his claim takes as much as two years. It may take longer before he has got together the witnesses and the evidence he needs to establish his claim; but once granted by the pension commission that pension should date back to the date of application of the

veteran. Again I say that in the Pension Act we are not dealing with any kind of social assistance; we are dealing with something that belongs as of right to the veteran, and if the commission rules finally that the veteran was entitled to the pension on his application, then it should be made retroactive to the date of the application.

Certainly that is the rule if a company goes through the courts, perhaps up to the exchequer court, with a claim that it is entitled to, say, special depreciation on its equipment to write off against taxable income. If, after years of litigation, the court rules that the company was correct in its contention of course it dates back automatically without question to the date of the application. When we do that with financial matters and with company matters we should see that the veterans pension dates back to the date of application. There could very well be in the act a saving provision to the effect that this would not revive old claims existing, say, prior to the last war. I do not suggest that that should be done, but with such a saving provision surely pensions could be made retroactive.

I have finished with the proposals that I hope the government will take into consideration, Mr. Chairman, but in conclusion I want to say my main point is that I regret the government has not increased the basic rate in its disability pensions. Frankly, I do not think we are living up to the standards with our veterans that we do in the financial and material sense. When war equipment or material is damaged or destroyed we replace it at once without question. The companies which produced war materials in the last war received not only profits but often write-offs on their capital costs, so that in effect they got a gift of the capital equipment they were using during the war. The biggest case in point, of course, was the special write-off allowed to the Aluminum Company of Canada for its work at Arvida, which resulted in effect in that company being given a gift of that huge power installation.

We have to ask ourselves whether we are treating the veteran on the human level as well as we are treating the financial aspects of fighting a war. In view of that it does not seem to me that these pension rates at the present time do put the veteran in the position where it can be said that he has not suffered loss as a result of incurring injury or disease in the service of his country. To the extent that we can remedy that situation by financial measures we should generously and quickly do so.

[Mr. Macdonald (Vancouver-Kingsway).]

Mr. Brooks: It is one o'clock. I wish to go on this afternoon, but I understand the Minister of Trade and Commerce has an important announcement to make at 2.30 o'clock. Might I ask that we rise and report progress?

Progress reported.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

TRADE

MISSION TO UNITED KINGDOM—COMPOSITION AND MATTERS TO BE DISCUSSED

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I wonder whether I might have the opportunity now, which I asked for this morning, to make an announcement to the house with regard to the trade mission which is going to proceed to the United Kingdom. I presume I may do so under leave to revert to motions.

The Canadian trade mission to the United Kingdom, comprising leading representatives of business and industry from all areas of Canada, will leave Montreal for London on Thursday, November 21. The mission will also include representatives of labour, agriculture and fisheries. The purpose of the mission is to stimulate purchases from United Kingdom sources of goods now imported by Canada from non-commonwealth countries. Its immediate objectives are to provide a favourable climate and to seek specific opportunities for the expansion of British exports to Canada, so that Canada may take full advantage of sources of supply in the United Kingdom, and British exporters may participate increasingly in Canada's growing import requirements.

To this end, membership of the mission consists largely of businessmen whose companies represent some 20 groups of industries across Canada which, it is believed, can use increasing quantities of British products. The mission represents an annual purchasing potential of many millions of dollars worth of imports.

The mission will depart from Dorval airport, Montreal, on the late afternoon of November 21 and will arrive in London the next morning. It will remain in the United Kingdom from November 22 until December 18, during which time it will follow a program arranged by the United Kingdom authorities in consultation with Canada House.

Following preliminary talks in London with ministers, senior government officials, the dollar export council and its affiliated industrial bodies, visits will be made to important centres of industry and commerce throughout Great Britain to permit of direct factory and plant visits and meetings with British exporters and businessmen. The mission will conclude its visit with final conferences to be held in London from December 16 to 18.

The list of names of those who have accepted an invitation to join the mission will be released today. The list is complete except for the addition of two representatives of agriculture from whom I am awaiting word and except for one or two changes which will result from withdrawals that are expected because of personal reasons on the part of those who have already accepted an invitation.

Right Hon. L. S. St. Laurent (Leader of the Opposition): Mr. Speaker, I am sure all members of the house will welcome the statement made by the Minister of Trade and Commerce (Mr. Churchill) and do and will extend their very best wishes to him and to those who will be accompanying him on this mission. There is no doubt that greater diversification of our import trade would be beneficial to our economy, and the government has come to the concluson that this is apt to be an effective way of furthering that objective. We hope that their prognostics or hopes in that regard will be realized and that there will be the furthering of what has been, I think, the desire and objective of all parties in the house, to see restored to the greatest possible extent the multilateral trade that used to exist and that did have beneficial effects for all those who could participate in that mutual trade.

There have been dislocations which brought about inevitable results. I hope those results are not to be permanently inevitable and that they can be overcome. I can assure the minister that we wish him well in his endeavours to restore as near an approach to multilateral trade as can be realized under present world conditions.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, we join very heartily, of course, with the Leader of the Opposition (Mr. St. Laurent) in wishing this delegation every success in Great Britain. I noted that in the minister's statement—I understand why, of course—he laid particular stress on the desirability of British exports to Canada. I am sure that the delegation will not lose sight of the other side in which we are also very interested, namely the question of enlarging our exports to the United Kingdom. The more imports we take from the United Kingdom and commonwealth countries, the more we provide them with the necessary dollars which they can spend in Canada for the exports that we wish to send abroad.

Representing, as I do, an agricultural constituency, a wheat-growing area, I am anxious to see an expansion of trade with the United Kingdom not only for industry generally but particularly to help our agricultural situation. Even if the list of gentlemen who are going to England has not been completed, if the minister has the list there I would ask him if he would like to table a partial list this afternoon and add to it later.

Mr. Victor Quelch (Acadia): Mr. Speaker, I should like to join the other two speakers in wishing the minister every success. I hope the result can be a substantial expansion of trade with Great Britain and the sterling area generally. I should like to ask the minister this question. In view of the success of the United States surplus disposal program in making surplus food available to nations that are not able to obtain it through the normal channels of trade, while at the same time substantially increasing their sales for dollars, will the minister give consideration to the advisability of Canada accepting sterling under a firm agreement that such sterling will be spent within the sterling area so that it may be used to buy goods which we are at present buying from the United States, thereby helping to reduce our imbalance of trade with the United States and at the same time helping Britain to reduce her imbalance of trade with Canada?

Mr. E. G. Hansell (Macleod): Mr. Speaker, I am sure we all agree with previous speakers that anything that can be done to advance trade relations and increase trade is very commendable, but I should like to ask the minister a question, if I may.

Mr. Speaker: Order. As I understand the practice when statements of this kind are made, and I am sure the house will correct me if I am in error, it has been customary for a spokesman for each party to be given the opportunity to comment on the statement but it is not customary to ask questions or to open the door beyond that. I think we would do well to confine ourselves to the practice of having one comment from each group in the house, which we have now had. I would ask my hon. friend to defer his question until the next period when such questions are dealt with.

Pension Act

PENSION ACT

AMENDMENTS RESPECTING DEPENDANTS, ETC.

The house resumed consideration in committee of the following resolution—Mr. Brooks —Mr. Courtemanche in the chair:

That it is expedient to introduce a measure to amend the Pension Act to place dependants of persons who served in world war II in a position comparable to that of dependants of persons who served in world war I in cases of disability or death due to improper conduct; to ensure that pensions may be paid to the dependants of deceased members of the forces resident and domiciled in Newfoundland; to provide for the continuation of disability pensions and widows' pensions to the end of the month in which death occurred except in cases where no additional pension for dependants is payable; to provide for the payment of pension to the daughter of a pensioned widower where the domestic establishment is maintained after his death; to provide for an increase in the clothing allowance on account of amputation or use of appliances; to provide for an increase in the allowances for funeral and burial expenses; to remove the limitation on the amount of pension payable to a dependent parent of a deceased pensioner after discontinuance of pension to other dependants; to authorize payment of widows' pensions at current rates upon reinstatement of discontinued pensions; and to remove the limitation on payment of pensions to or in respect of children born after a specified date, or to wives whose marriage to a member of the forces or a pensioner took place after a specified date; such measure to include, in addition, certain consequential and clarifying amendments.

Mr. Brooks: Mr. Chairman, before the resumption of the debate on the resolution I should like to make an observation regarding a remark by the hon. member for Vancouver-Kingsway. I did not wish to interrupt him at the time he was speaking. He expressed his pleasure regarding the removal of the dateline for the marriage or remarriage of world war I veterans and mentioned his disappointment because the resolution did not say anything about children. Naturally the resolution is abbreviated, and I am happy to assure the hon. member and other members of the committee that the bill which will be introduced provides for the removal of the dateline with respect to marriage and also to children.

Mr. Macdonald (Vancouver-Kingsway): I am glad to have that assurance, Mr. Chairman.

Mr. Irwin: I listened with some degree of disfavour to the hon. member for Rosthern as he made his contribution to this debate. It seemed to me his speech had nothing to do with the resolution and contributed nothing to either the welfare of the veterans or the subject matter under discussion. I doubt very much that the veterans will thank him for his remarks or that his constituents will approve of his attitude. On the other hand, the hon. member for Vancouver-Kingsway was extremely instructive and I hope, sir, I can do as well as he did.

[Mr. Speaker.]

At this point, Mr. Chairman, I want to pay tribute to those responsible for the administration of veterans' affairs in British Columbia. So far as that province, at least, is concerned, they have been extremely efficient and extremely careful to interpret the regulations and the act under their administration as well as they possibly could. I should like to pay particular tribute to General Roaf, while he was the administrator for British Columbia.

In so far as these proposals are concerned, an assessment of the extent of them indicates the obvious necessity for a permanent committee on veterans affairs. No legislation as important as this should be permitted to get into such a state of desuetude as the proposals in this resolution would indicate. I express regret on behalf of the veterans of Canada that no provision is made in this bill for a rise in the basic pension. I know, Mr. Chairman, that Rome was not built in a day. I know that this government cannot do everything all at once, but at the same time they could have gone a long way towards helping the veterans of this country by raising the basic pension to a point where it would be at least equal to the salaries and wages received by the lower classes of labour in this country.

I should like to quote from page 5 of the veterans brief which was presented the day before yesterday to the cabinet. On that page it will be noted that in 1920 a single pensioner received $900 and today under this measure he will be receiving $1,800; that is a rise of 100 per cent. The same situation applies to a married pensioner. His pension goes from $1,200 in 1920 to $2,400 in 1957. The widow is not so fortunate because she was receiving $720 in 1920 and is now to receive $1,380, a rise of $660. When we compare these pensions with the pay of the armed forces and with that of some members of the civil service, we find a great difference. We find that a single private—please remember that this is the initial payment, and do not forget that a private can rise through the various grades of private and receive a considerably increased emolument —in 1920 was receiving $930.75, and today is receiving $1,980. A married private in the army was receiving $1,130.75 in 1920, and today he is getting $2,700, that is a rise of $1,569. When we come to the civil service, we find something else. A customs guard in 1920 was getting $1,260 and today he is getting $3,360. A cleaner and helper in 1920 was getting $900, the same as a pensioner on that date, and today he is getting $2,910.

Now, may we examine this in the light of the brief that was presented last year, Mr. Chairman. I should like to point out to you

that the condition of the pensioner, as compared with these categories, has deteriorated even in the one year. The brief last year was presented on November 9, and let us have a look at it. On a percentage basis the pension of a single pensioner had risen 66 per cent on that date and the pension has now risen 100 per cent. The pension for a married pensioner has risen approximately the same amount and the same is true of a widow's pension. However, when we come to examine the others, we find that the single private in the army has received pay increases amounting to nearly 108 per cent in 1956, and 112.7 per cent in 1957. The married private had received pay increases amounting to 134.4 per cent in 1956 and is now up over 154 per cent. The customs guard received pay increases amounting to 166 per cent between 1920 and 1957. I should like to point out to you that in 1956 his percentage rise in pay was then 154 per cent, and it went up again this year. The pension has not gone up that much.

In the light of these figures, Mr. Chairman, I would suggest to you that the Pension Act should be revised in such a way that the pensioner today would be at least on a level with those who are engaged in business or who are in the armed services. These figures show a disparity between the pension of the veteran and the pay of the armed forces as well as certain classes of civil servants. I put it to you, sir, that this disparity should not exist. I should like, in fact I would almost insist, that the disparity should not exist as between a man disabled as a result of war and those fellows who are capable of maintaining themselves.

These pensioners sacrificed all they had or hoped to have in the service of their country, and they should have a standard of living at least equal to the men and women of the armed forces. They do not have this today. By what process of mental calisthenics the official mind has arrived at these figures is something that is quite obscure. Historically, these pensions have been tied in with what one could receive in the labour market. The examples I have pointed out show you that today such a comparison is not applicable. During the years since 1920 the disparity has steadily widened. I would submit to you, Mr. Chairman, this condition should not have been allowed to develop and pension rates have failed to keep pace with wages in the services or in industry.

Incidentally, Mr. Chairman, I note that a widow is always expected to live on less than a single pensioner. Just why this should be so is not apparent to me. Why one single individual should be expected to live on less than another single individual is something that is not quite apparent to me. Evidently this results from one of those peculiarities that exist in the official mind. Apparently the government can not grasp the fact that the war disability pension is a matter of contractual right and not a matter of charity. It is a moral obligation based on equity and should be looked on in that particular way because when we come to discharge this obligation, we are in a much different position than we are in so far as any other obligation we might assume is concerned, that is in regard to old age pensions or anything of that kind.

Then there is the question of the effective dates of the pensions. A man may have made an application for a pension three years ago and his pension may be granted today. However, there is no guarantee it is going to be retroactive to the date of the application. Why not? If a man is eligible for the pension now, then he should be eligible for it when he made application. He should therefore be in the position to collect for the difference in the length of time and should not be subjected to the loss of that pension merely because the pension board could not make up its mind.

Again I should like to point out to you, Mr. Chairman, that one of the features of the act that has always caused a great deal of discussion in veterans organizations has been this question of disability in a pensioner that was regarded as pre-enlistment, not aggravated. My own contention right along has been and still is that where a man has been accepted by the armed forces and has been passed by the examiners in those armed forces, that man is assumed to be in top medical condition—it is agreed that he is—and that if something else crops up during his service there must have been some degree of aggravation or it would not have cropped up. We therefore insist that, where a person was entitled to a clear medical sheet when he enlisted, anything that crops up subsequently during his service should be regarded as a disability created or aggravated by service.

Then again I notice that in these amendments no mention is made of any improvements with regard to orphans of veterans. They are not receiving a raise and they did not receive a raise last time.

There is another thing I wish to mention, namely the question of widows. While under these amendments the widow is being granted a raise the fact remains that if she happens to have a couple of children on her hands, those children are not subject to a raise. While the raise may and certainly

must be of value to the widow who is entitled to it, the fact remains that it is not going to help her a great deal if no raise is given to the children who are left under her care.

In closing, Mr. Chairman, I should like to refer you to Mr. Lapointe's attitude towards this matter at the last session of this house. That gentleman for a good many years was minister of veterans affairs in the previous government. I would commend his remarks to the present minister and suggest to him that the implications of those remarks are now in his hands. I hope that he will govern himself accordingly.

Mr. Carter: Mr. Chairman, I take it that the purpose of discussing this resolution is to enable the house to come to a decision as to whether the minister shall have leave to introduce a bill to amend the Canadian Pension Act. This would therefore appear to me to be a suitable opportunity to make a few observations so that the house may be informed as to how this act as at present administered applies to Newfoundland veterans. I particularly wish to bring this matter to the attention of the minister and his colleagues at this time in the hope that he may find it possible to include in his amendments some solution to the situations which I am about to describe.

Hon. members may have noticed that the province of Newfoundland is given the distinction of being the only province of Canada mentioned by name in the resolution now before the house. Since Newfoundland was supposed to have become a part of Canada in 1949, hon. members may like myself be wondering why it has been necessary to single out my province for this special mention. When Newfoundland joined Canada we all took it for granted that Newfoundland veterans would automatically become Canadian veterans and would be treated in every respect as though they had served in the Canadian forces. Very few veterans had access to copies of the terms of union at the time of confederation but most of us were supplied with a little booklet entitled, "Canada's Veterans Charter, How it Applies in the Province of Newfoundland". I should like to read a few short paragraphs of the introduction at page 4 of this booklet which was issued under the authority of the Hon. Milton F. Gregg, then minister of veterans affairs. The introduction on page 4 reads as follows:

> This is a booklet addressed to Canada's newest veterans in the province of Newfoundland, those who in world war I and world war II fought so gallantly in the battles for freedom. The booklet is designed to inform you of those rights and privileges which you now have in common with your fellow-veterans who served from Canada.

[Mr. Irwin.]

Then follows the paragraph I wish to underline, Mr. Chairman:

> Under the agreement for confederation the veteran who served from Newfoundland is in exactly the same position as those who served from the other nine provinces.

When we come to the terms of union we find that the rights and privileges of Newfoundland veterans are outlined in section 38. I do not intend to read the whole of this section but I think it would be helpful to hon. members if I put on the record the first two subsections. Section 38 of the terms of union is entitled "Veterans" and it reads in part as follows:

> 38. Canada will make available to Newfoundland veterans the following benefits, on the same basis as they are from time to time available to Canadian veterans, as if the Newfoundland veterans had served in His Majesty's Canadian forces, namely,
>
> (a) The War Veterans' Allowance Act, 1946, free hospitalization and treatment, and civil service preference will be extended to Newfoundland veterans who served in the first world war or the second world war or both;
>
> (b) Canada will assume as from the date of union the Newfoundland pension liability in respect of the first world war, and in respect of the second world war Canada will assume as from the date of union the cost of supplementing disability and dependants' pensions paid by the government of the United Kingdom or an allied country to Newfoundland veterans up to the level of the Canadian rates of pensions, and, in addition, Canada will pay pensions arising from disabilities that are pensionable under Canadian law but not pensionable either under the laws of the United Kingdom or under the laws of an allied country;

Then follow subsection (c) dealing with the Veterans' Land Act, subsection (d) dealing with re-establishment credit, subsection (e) dealing with vocational and educational training and subsection (f) covering the Veterans Rehabilitation Act.

In 1947, another official document was published entitled "Proposed Arrangements for the Entry of Newfoundland into Confederation". On page 11 of this document, war service benefits are outlined as annex 1 and I should like to read the first paragraph on that page:

> Canada will extend to Newfoundland veterans who served with any of His Majesty's forces the following benefits on the same basis as if these Newfoundland veterans had served in His Majesty's Canadian forces . . .

Perhaps we were not justified in assuming that Newfoundland veterans would automatically become Canadian veterans upon confederation. In the face of the official statements I have just read, hon. members will have to decide this question for themselves. Whether we were justified or not, the fact remains that we did believe that on confederation we would be treated exactly as if we had served in the Canadian forces,

and when I say "we" I mean not only Newfoundland veterans but the Newfoundland public as well.

During the eight years that I have been a member of parliament I have had occasion to address a considerable number of letters to the Canadian pension commission dealing with the problems of Newfoundland veterans, and I must confess that I have often been puzzled by references in the replies I have received to the establishment of domiciliary residence in Newfoundland.

So firmly was the idea embedded in my mind that Newfoundland veterans upon confederation would be treated as if they had served in the Canadian forces that I must confess I was completely blind to the possibility that any other interpretation might be possible, and it was not until last year that it suddenly dawned upon me that not only were Newfoundland war veterans not regarded as Canadian veterans but that they were not even regarded as Newfoundland veterans, but as imperial veterans. That came as somewhat of a shock, because prior to confederation Newfoundland veterans had never regarded themselves as imperial veterans, nor were they so regarded by the Newfoundland government. It is true they served with the United Kingdom forces under United Kingdom command, but their identity was preserved by supplementary pay and allowances provided by the Newfoundland government, and on discharge their pensions also were supplemented by that government in accordance with a scale designed to bring them as far as possible in line with Canadian pensions.

I am not blaming anyone for this situation. I do not think it was done deliberately. I am not saying that the terms of union in this respect are incompatible with the interpretation which has been placed upon them. On the contrary, I have the highest regard for the personnel of the Canadian pension commission, as I have for the personnel of the war veterans allowance board and for the heads of the various branches of the Department of Veterans Affairs. But I say that I feel the interpretation which the Canadian pension commission is placing upon the Pension Act in its application to Newfoundland is not in accord with the spirit of the terms of union as expressed in the preamble to section 38 of the terms of union and in the booklet entitled "Canada's Veterans Charter".

I know it has been argued that the present arrangement works to the advantage of the Newfoundland veteran in that it gives him a choice of dealing either with the British ministry of pensions or with the Canadian pension commission; in other words, the Newfoundland veteran has two strings to his bow and can choose the better of two possible worlds. I should like to reply to that argument now.

Canada's veterans charter has been described as the best and most generous in the whole world, and I believe every member of this house will subscribe to that view. But if that is true, as I believe it is, what advantage is there in being compelled to apply for the inferior British pension before being able to qualify for the more generous Canadian pension? If there is any advantage, I am unable to see it. I can, on the other hand, see a great many disadvantages. Hon. members will recall that section 38(b) of the confederation terms says that Canada will supplement the British pension up to Canadian rates.

Under this arrangement the Newfoundland veteran is, first of all, compelled to make his application to the British ministry of pensions. This means that the application must be forwarded to England to be adjudicated there, and the first disadvantage is the long delay while waiting for the application to travel back and forth and because of the time required by the British ministry of pensions to reach its decision. This process often takes weeks and it may even take several months. If the veteran concerned is incapacitated, or if his earning power is diminished by his incapacity, he and his family must exist all this while either on charity or on government relief, which constitutes a hardship which increases in severity as the period is prolonged.

In dealing with the application, the officials of the British ministry of pensions might arrive at one of three decisions. They might admit entitlement and grant a pension based on a percentage assessment of disability. In the second place they might grant entitlement and assess the disability as nil or, thirdly, they might reject the application altogether.

If the application is rejected outright the Newfoundland veteran then has the privilege of applying to the Canadian pension commission in which case he must begin all over again with still further delay and still more loss of time and prolonged hardship. If the British ministry of pensions grants entitlement but assesses the disability as nil, the veteran may find himself worse off than if his application had been rejected outright because he cannot then benefit from the supplementary provisions of the Canadian Pension Act even though, by Canadian standards, he might have an assessable degree of disability. The very fact the British ministry did not reject his claim debars him from taking advantage of section 13 (7) of the act even though his claim might easily be established under Canadian law and assessed under the Canadian table of disabilities.

I am not able to follow the mathematical reasoning of the Canadian pension commission in taking this stand. When I went to school I learned that zero plus one equalled one, and that zero plus ten equalled ten and that zero could be supplemented in any degree by adding whatever digit to it you wished to add. All I can say is that if the Russian scientists and mathematicians had adopted the new mathematical law formulated by the Canadian pension commission we would not have to worry today about sputniks travelling around over our heads. In any case the present situation where a veteran whose claim for a pension is rejected is better off than one whose claim is admitted is a bit ridiculous, to say the least, and I urge the minister to take whatever steps lie in his power to have it changed.

Should the British ministry of pensions grant a pension the Canadian pension commission will, as I just said, supplement the British pension under section 13 (7) of the act with an amount that will bring it up to Canadian standards but even then the present supplementary provisions of the Canadian Pension Act fail to provide complete coverage even for those who, in the main, qualify for supplementation, because should the Newfoundland pensioner who is in receipt of supplementation, or his dependants, subsequently take up residence outside of Canada they immediately lose the supplementation and revert back to British rates. This result gives rise to a most peculiar situation in that a veteran wounded in action whose claim is granted by the British and supplemented by the Canadian pension commission loses his supplementation if he leaves Canada. The same thing is true as far as his widow and dependants are concerned. Should the widow find it necessary to go and live with a daughter in the United States or anywhere outside of Canada she loses the benefit of the supplementation but on the other hand the veteran who never left Newfoundland during service or whose claim having been rejected by the British is established directly under section 13 (7) is paid at Canadian rates as a matter of right and he and his widow and dependants can go anywhere in the world without losing the supplementation. This is not only ridiculous, it is totally contrary to the spirit of the terms of union and it is not in accord with official statements which have been made concerning Newfoundland veterans.

One other serious complaint that Newfoundland veterans have is the long time between appeal board hearings. The last hearing of the appeal board in Newfoundland was held last September and the one before that was held in April 1956. The long interval between hearings of the appeal board is not only a poor service to the veterans of Newfoundland but a cause of great inconvenience since some appellants are compelled to wait as long as 15 months before their cases are heard.

According to the Canadian pension commission the Pension Act does not make provision for payment of widows pensions as of right to those widows whose husbands were in receipt of 50 per cent or more pension at the time of their death if death occurred prior to April 1, 1949. Although these widows have been provided for from a special fund they have not been automatically granted the last two pension increases and I should like the minister to pay special attention to this matter and see what can be done to ensure that these widows will receive their benefits as a matter of right the same as do widows of veterans who serve in the Canadian forces.

Mr. Brooks: Perhaps I might just interrupt for a moment, Mr. Chairman, to assure the hon. member that we will take into very careful consideration the points he has raised; but I do express my amazement at the fact that this is the first time the hon. member, who has been in this house since confederation, ever brought this to the attention of the House of Commons. It is very amazing to me.

Mr. Carter: Mr. Chairman, I explained to the committee why it was we did not bring it up before.

Some hon. Members: Oh, oh.

Mr. Carter: It did not dawn upon us before.

Some hon. Members: Oh, oh.

Mr. Carter: We took for granted what the veterans charter said.

Mr. Brooks: You made a big mistake there.

Mr. Carter: And we took for granted what the terms of union said. I will read that section to the minister again if he wishes to have his memory refreshed.

Mr. Brooks: The hon. member need not read the terms of union to me. He has been complaining that his government did not take this into consideration.

Mr. Carter: I am not complaining at all nor am I blaming anybody for this, but I am pointing out to the minister that this situation does exist now and it is one that should not be allowed to continue further.

Mr. Brooks: I agree with the hon. member.

Mr. MacInnis: The government has improved the situation.

Mr. Carter: These amendments will not represent any improvement as far as these problems are concerned. I hope that when the minister brings in his legislation it will be drafted in such a way as to provide a satisfactory solution to the problems I have outlined. In fact, my purpose in speaking now rather than on second reading is to acquaint the minister with these problems so he can see whether something can be done in terms of finding a solution.

The reason we were blinded and it took us so long to realize what the present situation actually is was the ambiguity of section 38 of the terms of union of Newfoundland with Canada. This section reads:

> Canada will make available to Newfoundland veterans the following benefits, on the same basis as they are from time to time available to Canadian veterans, as if the Newfoundland veterans had served in His Majesty's Canadian forces—

I would point out that the Newfoundland veterans are not being treated as though they had served in His Majesty's Canadian forces but rather as though they had served in His Majesty's imperial forces.

Mr. Brooks: It certainly took you a long time to realize that.

Mr. Carter: That may be, but better late than never; and the minister and the commission will now have no further excuse for delaying action to correct the situation.

Mr. Byrne: We are just working harder than the other opposition.

Mr. MacInnis: What excuse do you make for your own government?

Mr. Carter: I wish to bring to the minister's attention the fact that the wording of the present Canadian pension life certificate, CPC-103, is misleading in regard to children over 16 and 17 who are attending school or who may be incapacitated mentally or physically. I have come in contact with several cases of pensioners who did not know they could claim additional pension for their children up to the age of 21 as long as such children continued to make satisfactory progress in school and I would be grateful if something could be done to clarify the wording of that particular clause.

Finally, I should like to point out to the minister I have been informed that there is a precedent in the department which, if it were adopted, would alleviate all of the problems to which I have just referred. I can understand that distinction would be made between a veteran who deliberately by-passed the Canadian forces and went and enlisted in the forces of another country. I can understand that such a veteran would not have the same claim as a veteran who did not by-pass those forces; but that does not apply to Newfoundland veterans. We did not by-pass the Canadian forces; we had no other choice at the time. I understand that during the war an occasion occurred when it was necessary for a number of the Canadian air force personnel to be transferred to the British air force. I am not familiar with the complete details, but I understand that in the case of those veterans special treatment was given. In other words, this particular group of veterans was not treated as though they had by-passed the Canadian forces to join the imperial forces. If that same reasoning could be applied to the Newfoundland veterans most of our problems could be worked out and I heartily commend this to the minister's attention.

(*Translation*):

Mr. Lambert: Mr. Chairman, in rising to take part in this debate, I have no intention of delaying the adoption of the resolution now before us. Rather do I wish to say how pleased the veterans of this country have been with these amendments to the various pieces of pension legislation which are of special concern to them.

Like so many other younger members, especially those who sit on this side of the house, I am a veteran. Thanks to Providence I came out of the war without any wounds or illness. However, thousands of my comrades have had a different fate, and it is up to us to see to it that they receive an adequate pension. I think that the adoption of the amendments which are being discussed this afternoon, and which in any case will be considered for several days, will help us achieve our aim, that of granting these men an equitable pension.

(*Text*):

I would like to say only a few words, Mr. Chairman, as one of those in this house who is a veteran and perhaps among the luckier veterans who came out of world war I or world war II without any wounds, any disabilities and I hope no lasting illnesses. I merely say that we as Canadians owe to these men who offered themselves as volunteers in the defence of this and other countries a great deal; that we should help them to maintain a decent standard of living by affording them some measure of pension.

Like many members on both sides of the house I, too, feel that we can go a long way yet to achieve the ideal pension scheme. Notwithstanding what may have been said by others, I look to the early setting up of a permanent committee on veterans affairs to investigate our whole pension scheme and all matters related to veterans affairs. However, I do not agree that at this moment we should

have held off the early consideration of these emergent matters for the purpose of going into a long and careful study of the subject. I am sure hon. members will agree that it is not something that can be decided or investigated within the confines of a week or two. It will require representations and investigations on all sides if we are to achieve what we believe to be the ideal, and I feel that great injustice would have been done by adopting a long procedure.

We have before us what are considered to be very distressing conditions, as the Canadian Legion has pointed out for many years. I come from Edmonton where I do have the support of a great number of the members of the Canadian Legion. Edmonton is proud of the fact that its principal branch, the Montgomery branch, is the largest branch of the Canadian Legion in this country. In addition, we have two other branches, so it is not an isolated movement in Alberta and in Edmonton in particular.

Following the observations of some hon. members, I would say that I have some reservations on the point advanced by the Legion and by hon. members in this house that pensions should be tied in to the scale of pay of the services. It must be remembered that the scale of pay of the services is tied in closely with the competitive labour market. I do not think the same parallel exists between the pension and the competitive labour field. With that, Mr. Chairman, I would say that I am prepared, along with many other hon. members, to support the general principles of this bill.

Mr. Peters: Mr. Chairman, I am pleased to see how bipartisan the veterans policy is. Like most hon. members, I too am a veteran and in the past I have been very proud of the part that the Department of Veterans Affairs has played in the welfare of our returned people. On most occasions it has been bipartisan, and we are pleased to see that it is so today. Of course, I think a committee could be set up to study veterans' affairs. I do not think the fact that we pass this legislation will take away the need for setting up such a committee to discuss further the problems of veterans that are not settled by this resolution.

I should like to congratulate Mr. Burgess, the dominion president of the Canadian Legion, on the presentation that they made and the able manner in which the work has been done which has gone into that presentation.

In my particular area the Canadian Legion has always played a prominent part in veterans affairs. From my reading of the brief and from the knowledge that I have of veterans problems—it may be small—I think the Minister of Veterans Affairs might have given more consideration to increasing the amounts which are being increased to bring them up to the 33⅓ per cent which has been asked for by the Canadian Legion. At all times I have found the Legion moderate in the extreme. They have always tended to be on the conservative side, with a small "c". At no time have their demands been anything other than reasonable.

I should like to bring to the attention of the minister the fact that at the present time there are people working in the House of Commons who are veterans of the British armed forces. When they applied for jobs here they were instructed that they did not come under the veterans preference. That is a matter that could be taken into consideration and perhaps some thought given to it.

I have found on many occasions that persons reporting to the pension board for their annual check-up—I have been in that position myself—have been instructed by the doctors sitting on the board and dealing with the review of pension cases that they have looked in the files and found no entries, no medical evidence that the pensioner had needed attention since the last time they saw him. I think some consideration should be given to this problem in those instances where medical plans are in operation. A doctor may be working continuously in an area under a medical plan and in many cases he does not see fit to fill out the forms for the Department of Veterans Affairs. Therefore, even though the man may be treated once a week, once a month or at irregular intervals, there is no record of such treatment, and when he comes before the board for the annual review there is no record of any medical service having been given to that particular pensioner. The obvious conclusion drawn from the blank record for that year is that he has not needed any treatment.

I am not sure what amount doctors are paid for calls involving pensioners but it may be that the rate is not sufficiently high to warrant the doctor filling out the form. He may find it is much more profitable to use the medical plan in that particular area.

There are also a number of cases, including one in particular about which I can speak with some authority, where the veteran comes before a pension board in a small community and there are no specialists attached to the review board with the result that the pensioner is sent somewhere else to see a specialist. In some cases I think the pensioner is legitimately justified in saying that when he is sent to a private practitioner

he should only be sent there for examination and should not be compelled to take treatment, treatment that would only serve to put a few dollars in the pocket of the particular specialist and would have no bearing whatsoever on the pension review being undertaken.

In the particular case I have in mind the person's pension was cut because he had refused the treatment, and he had simply been sent to the specialist for an examination and not for treatment. If these matters are brought to the minister's attention I am quite sure he will take cognizance of them and it will not be necessary to say any more about them.

On occasion we have had problems with a type of veteran who does not appear to be covered by the Department of Veterans Affairs Act. There are a number, some of whom I know personally, who served in the merchant navy, saw action and were wounded by shells or torpedoes and are unable to get any type of pension. It seems that originally there was a pension for merchant seamen and that when the war began that pension was discontinued. A period of time elapsed before the pension plan under which they were then brought was put into effect. One particular chap I know lost an arm and was badly shot up, but there is no coverage for him. I believe this matter has been raised in the house on a number of occasions. This person has never received any pension, and I think it can be legitimately argued that he was serving in a very active field of hostilities.

In talking to soldiers, airmen and navy personnel recently I was most surprised to find that they do not come under what we would have considered the protection of the Department of Veterans Affairs while we were service personnel. It is true that while they are on duty for their eight hours a day they would be covered in case of accidents when working at the job they are supposed to be doing. I am not going to repeat a number of cases that have been mentioned. There was one discussed at some length in 1956, an accident where a man was killed while still under the orders of his superior officer. But because what he was doing was considered to be outside the line of duty his wife received no pension.

However, it would appear to me that in such cases we could reasonably ask the government to provide and pay for an insurance plan that would at least supply some of the necessities for the widows and dependants of these service personnel who at the present time are serving their country not only in Canada but in foreign lands. It does not appear to me that there would be much satisfaction involved for some lady, whose husband had been killed on the streets of Paris, being told that he was not on duty at that particular time and that nothing could be done about it. There has always been a certain honour and pride in serving in the forces of Canada and I think we should protect that at least with insurance which would cover these people in the hours when they are considered not to be working. I think that rates could be arranged whereby insurance of $20,000 or $25,000 would not be prohibitive in cost and I believe such a move would be very favourably received by the armed services.

Finally, I should like to leave the thought with the minister that some consideration be given to setting aside November 11 as a national holiday. Every person in Canada has had some close friend or relative who gave their life in the service of Canada. Indeed, many of us have had hundreds. The least I think we can do for them is to set aside one day on which to honour their memory.

Mr. McLeod: Mr. Chairman, my remarks will be confined to the difficulties that pensioners encounter in having their medical condition reviewed and given what they consider is proper attention. It is not unusual for a veteran to find after appealing a decision that the same members are sitting on the court of appeal as were on the original examination board. I think all members will agree that is not a fair practice. Generally, pensioners have found that once a negative decision is made by an appeal board or by an examining board, as the case may be, it is almost impossible to have the decision changed or modified despite any evidence from local or family doctors that may be presented.

I am going to deal with a couple of cases for which I can vouch personally, and the information I am going to give the house is on record. There is a veteran not too far from my home town who suffered gunshot wounds in 1918. Shortly after being treated in hospital he was demobilized in the last year of the war and had only been home a short time when he became crippled with sciatica. This was in 1919. Since that time, Mr. Chairman, we have a continuous record of sciatica and suffering on the part of this veteran. At various stages during those years he was completely disabled. We have references here to statements by local doctors. I am going to read a recommendation that was made by Dr. Meekison in 1935. This is his opinion:

This man is totally disabled with bilateral severe sciatic neuritis. In the absence of other causes,

it is very reasonable to assume that his present condition is due to his gunshot wounds. Something should be done for this man.

We can go back a little bit earlier to 1919. This veteran was discharged and took up residence on Vancouver island. Suffering, and totally disabled as he was, he went to various doctors in his own neighbourhood and on the mainland. Finally, he was advised to seek another climate and he moved to Kamloops in the interior of British Columbia. From there, he moved a little farther westward and now is residing very close to my home town. From 1918 until the present time this man has been continuously suffering from sciatica. Various family doctors and local doctors have agreed on this man's condition. I submit, Mr. Chairman, that their opinions are just as worthy of consideration as any specialist who might sit on a board that the veterans affairs department might set up. I maintain that these opinions should be given some consideration in trying to reach a solution of this case. This example is forcibly in my mind at the present time because I have just taken it up with the pension commission in Ottawa. This morning I received a letter which does not make me feel too happy. I am not going to read the letter, Mr. Chairman, because it is rather lengthy. However, the last paragraph says this:

He is a veteran with a good record of service, and possibly would qualify for reinstatement on war veterans' allowance if he is no longer gainfully employed.

I say that if he is not employed and is entitled to war veterans' allowance then, in the face of the facts set out in this brief, he is entitled to a straight disability pension. In view of this, we feel the case should be reopened and he should receive more serious consideration.

I am going to mention one more case, Mr. Chairman. A young lad left school in 1944 to go into the armed forces of this country. He took his infantry training and was sent to Germany with the army of occupation. He had no active service, through no fault of his own. On discharge from the army he was examined by the medical officer and put in category F. Hon. members know this meant automatic attention by the pension board. The reason for placing him in this category was a severe heart condition. Within a short time he was called to Vancouver for examination before the board, and the board said there was absolutely nothing wrong with him. A few short weeks before that the army examining officer had placed him in category F and had made a remark—these are his exact words and therefore I would like to have them on the record—"How in hell did you ever go through the army training?"

In spite of this, within a few short weeks the appeal board said there was nothing wrong with him; he had a perfect heart and was in perfect physical condition. I know this lad. I know that even today, after all these years, he has to be careful of the kind of employment he accepts. He cannot engage in sports. He cannot engage in any physical activity beyond that necessary to move in a very quiet occupation. If he cuts his own lawn, within a few minutes you will find him stretched out on a couch resting; that is the kind of lad the medical board said was in perfect physical condition.

These are examples that I think should be given a little more serious attention. There is something wrong when people such as these two I have mentioned feel it is hopeless to request that their case be reviewed. This lad who was discharged in 1946 is convinced it is hopeless to try to do anything about the decision of the board. From the evidence I have here, and from speaking to so many veterans in similar circumstances, I am inclined to agree that it is almost hopeless to try to have a case re-opened and get a decision that has once been in the negative reversed.

Mr. Small: Mr. Chairman, I do not intend to take much of the time of the house this afternoon. In fact, I had not intended to say anything at all but I am taking part in the debate because of certain remarks that have been made. I might say that I am very sympathetic towards the cases cited by the hon. member for Burin-Burgeo, as well as the other grievances that have been raised this afternoon. I believe they will receive attention and correction. I believe these hon. members put forth a genuine effort in putting their cases before the committee. On the other hand, the submissions made by the hon. member for Rosthern as well as the hon. member for St. Antoine-Westmount are in a different position altogether.

While these hon. members were in favour of this measure, they could go along with it, they introduced the promises made by the leader of the government and stated he had not lived up to those promises. They felt the Prime Minister had not lived up to his promises because the pensions were not related to a formula tied to the gross national product of this country or the rising cost of living. The hon. member for Rosthern also made the point that our leader had not lived up to his promises in regard to this legislation because it had not been brought into effect immediately.

As I listened to both these hon. members I thought they sounded like a lawyer who comes into court with a very bad case. He has nothing to work with. So he is obliged to go into great fulminations, with great fury and furor, in an effort to try to distract the judge or the jury from the weakness of his case. This is the simple proposition with which the house is confronted.

They have now found that the leader of the government is living up to every one of the promises he has made and the people of this country have great faith in him. That is the reason they are an aggregation of Ishmalites. They found we have "Honest John" who is delivering the goods. They themselves are surprised, in view of the tortoise-like movement which the previous government had. Now they go into kangaroo-like activity and say that this thing must be done overnight.

Let me tell you the people of Canada certainly placed their confidence in the right man. He is giving them the legislation and is fulfilling his promises with an alacrity that has dumbfounded the official opposition. I am not a bit surprised that the hon. member for Rosthern, when speaking the other night, said that he was amazed at some of the legislation that came in. We were amazed at his amazement. However, while they have a very weak case and they are now trying strenuously to find a way out, it is certainly amusing.

After this goes on for a few more weeks, the people of Canada will discern just exactly what they are trying to do. They will discern that they are trying to develop a case to go to the people saying, "We are now going to do something for you", notwithstanding the fact that it took them nearly 39 years to bring in their health legislation that had been promised continuously since 1919. They brought down an omnibus piece of legislation last March that covered the veterans assistance. It was nebulous. It did not have anything tied in with it and it left the government of today in a position to find the money to finance it.

However, I would say this. There is a certain amount of amusement in the situation. It brings to mind the comment once made by Patrick Henry: "How the mighty have fallen". Then I should like to wind up with a quotation from holy writ. When Eli was disturbed at the progress of the battle with the Phillistines in which his two sons were engaged; they had not prepared for the fray and the armies were in no condition to fulfil what Israel expected of them, he died from the shock of Israel's defeat, and his two sons died in the battle. The wife of Eli's son Phineas was great with child and expected soon. When the child was born, because of the calamitous defeat of Israel and his fathers part in it, she in her sorrow named it Ichabod, which means thy glory has faded. That is the condition in which the Liberal party now finds itself.

Mr. McIvor: I have just a brief word to say, Mr. Chairman. I listened to the hon. member for Okanagan-Revelstoke state the two cases with which he had difficulty. The reason why I rose is that I also had a case with which I had difficulty. I can advise the hon. member to take the same course as I took and he will not be sorry. This veteran to whom I refer had been thrown from the top of a lorry and lit on the hard road on his back. He was never able to walk very well after that time. After some years his walking ability became worse and worse and he was badly crippled. What I did was what I think any hon. member ought to do. I placed the case before the chairman of the pension board. I gave him particulars. In less than three months the man had a 100 per cent pension. I would advise any hon. member to do just what has been done today. I would advise him to get the particulars and give them to the chairman of the pension board. Then the doctors will be obliged to prove their cases.

Mr. Tucker: Mr. Chairman, I do not intend to delay the house more than a couple of minutes at this stage but when my genial friend the hon. member for Danforth spoke, he made a comment about which I could not refrain from making some observations. He spoke about what was done last spring as being very nebulous. I just wish to draw to his attention the fact that what we did last spring was to increase the amount paid to the single veteran by $25 a month and that to the married pensioner by $30 a month. This increase went to all pensioners. If, in his opinion, that is nebulous, Mr. Chairman, then how much more nebulous is this bill which does not increase the basic pensions at all.

I give credit to the minister for being quite straightforward with the house in saying that he is not proposing to increase the basic pensions at all in this legislation. That makes it extremely difficult to understand why, for example, the hon. member for Burnaby-Richmond seemed to think that this legislation was going to increase basic pensions. I was sorry he did not consult some of the leaders and some of the experienced members of his party who would have set him right on the matter. In fact, I am surprised that he should have said it at all when the minister was so clear in stating that the only way in which basic pensions would be affected by this legislation would be to incorporate in the bill what is already law—in other words these

increases that were made last spring are now the law—and put it in the Pension Act. The minister was quite frank about that matter. I think anybody who is supporting this legislation with the idea that it is increasing the basic pensions should have listened more closely to what the minister said quite honestly in speaking to the resolution.

Mr. Thomas (Middlesex West): Mr. Chairman, I should like to ask the minister a question. This concerns how decisions are arrived at concerning entitlement. If an applicant was accepted into any branch of the armed services as being in category A and is later discharged as being in a lower category, can the pension board disclaim responsibility on the ground that the health condition which led to discharge existed previously to enlistment?

Mr. Brooks: Mr. Chairman, the question which is asked by the hon. member will be dealt with when we are discussing the bill. We are at the resolution stage now.

Having listened to the observations made by hon. members, I may say that I am pleased to have the suggestions that many of them have made. The many points which have been referred to me will be given careful consideration and when we are discussing second reading of this bill, I shall be pleased indeed to deal with them.

The Chairman: Shall the resolution carry?

Mr. Blackmore: Mr. Chairman, before I come to the matters I wish to develop I should like to ask the minister if he would give some thought to the question of the Canadian firefighters. It would, I think, be a good thing for him to examine the whole subject, to find out how many firefighters went overseas from Canada, when they went, how long they were overseas and what was the nature of the dangers they encountered; how many casualties they suffered and whether or not some consideration should be given them in order to reward them for the good work they did to assist Great Britain in the days of the war when fires were very widespread and very hard to put out.

I have listened with a good deal of thought and attention to the speeches made by the various hon. members who have taken part in the debate. I believe that if I were a reader of *Hansard* out in the country I should find it difficult to get an over-all picture of the situation which confronts Canada in respect of the veterans.

I thought that the submission which has recently been placed in the hands of the Prime Minister by the Canadian Legion was about as fine a thing as I have read on the whole subject. In my opinion it would be valuable to the people in the country who

read *Hansard*, not now, but in the future and who might bring matters before succeeding governments if we listed the recommendations contained in this submission. I should like to commend the man who drew up this brief. Already there have been a number of comments with respect to the conservative, moderate tone one finds throughout the submission and the moderate nature of the demands it contains. I should like to commend the author myself. On page 1, I read this statement which, I believe, is an important one:

> In the light of this exceedingly serious situation and of world tensions today, we urge that there will be no unwarranted cutback in our defence budget and expenditures. Instead, this is a time for renewed and accelerated effort.

All hon. members will, I believe, support this idea, though as far as I have heard, no hon. member has supported it in the speech he made either before the committee or the house. On page 3 of the submission we read this:

> The Canadian Legion therefore recommends—that manpower and equipment for the defence of Canada be maintained and extended according to the exigencies and requirements of NATO and the United Nations and our obligations to them; that the government does not reduce defence expenditure except in cases where the national safety be not impaired by so doing; and that the government shall adopt a policy in which the primary consideration shall be the fullest development of the best brains of Canada for purposes of defence by subsidizing higher education and scientific research in centres of learning in Canada.

Mr. Brooks: On a point of order, Mr. Chairman. I dislike very much interrupting the hon. member, but we are discussing the Department of Veterans Affairs. The subject matter which he is dealing with now has nothing to do with the Department of Veterans Affairs but is entirely the responsibility of the Department of National Defence, which is probably the reason why none of the other hon. members discussed it this afternoon.

Mr. Blackmore: Mr. Chairman, I have just finished that part of my remarks. But I think we cannot stress this important matter too much, even though we are dealing only with veterans affairs—

Mr. Brooks: Yes, at the proper time.

Mr. Blackmore: May I point out, though there should be no need to point it out, that we are not encouraging young men to enter the army and risk their lives and health by treating so shabbily the men who served their country in three wars, and who, in the case of every one of these wars, have in many cases received far less than fair and equitable treatment at the hands of the country. So, probably, that particular part

of what I have to say does apply to veterans affairs because the veterans affairs department really plays a part in the future defence of Canada.

The next quotation which I will read does, I think, apply directly to veterans affairs, and it is on page 7 of the submission:

> The Canadian Legion therefore recommends that the rates payable under schedules "A" and "B" of the Canadian Pension Act as of 30 June 1957 be increased by 33⅓ per cent.

And, further down the page:

> The Canadian Legion therefore recommends that dependent parents' pension be restored to its former position whereby the rate for one parent was equal to the rate for a widow, with a more adequate additional amount than at present provided where there are two dependent parents.

On page 8 we find the following recommendation:

> That section 38 of the Pension Act be amended so that a dependent parent of a deceased member of the forces would become eligible for the maximum rate on the remarriage of the pensioned widow, even though pension is still being paid on account of a child or children of the deceased service man.

On page 9 we read:

> The Canadian Legion therefore recommends that dependent parents pension and increases in such pensions, when granted, be effective from date of application.

And on page 12:

> That a change be made in the Pension Act to make clear the status of these Newfoundland veterans in accordance with the spirit of the negotiations leading up to the terms of union and with the intent of the legislators as reflected in the other legislation quoted above.

Of course, the drafters of this submission have included a good deal of explanatory material which I am omitting. On page 14 we read:

> We would advocate that it be made mandatory that when a decision is given favourable to the veteran, pension will be paid as of date of application. At present this is a matter which is left to the discretion of the Canadian Pension Commission, but section 31(1) of the act limits the discretion to a maximum of 12 months. Section 31(2) permits an additional six months when hardship and distress would otherwise occur, and section 31(3) permits an additional 18 months' pension where there are administrative delays beyond the applicant's control.

Already we are piling up a pretty heavy list of scores against this "finest pension scheme in the world". I have heard that expression from the Liberals now for so many years that I wonder whether it really is as fine a scheme as it is represented to be in comparison with the pension schemes of other countries. If it is, then the rest of the world must behave pretty shabbily in several respects with regard to its veterans. From page 15 of the submission I quote:

> The Canadian Legion therefore recommends that all disability pensions when granted become effective from the date of application, but in order to allay fears of excessive awards going back to world war 1 jeopardizing the chances of the applicant, we append the following saving clause:— "This provision shall not apply to claims granted prior to January 1, 1946, and no retroactive payments shall be made for a period prior to that date."

On page 17, we find this further recommendation:

> That in order to obviate all possibility of future diversion of war pensions, section 24(3) be amended so that it will specifically bind the crown.

On page 18:

> That those veterans with Canadian domicile and residence prior to service with the United Kingdom or other allied governments as referred to in sections 50, 51 and 52 of the Canadian Pension Act be brought within the provisions of section 13 of the act.

On page 19 we read:

> That a clause similar to section 30 (11) (b) of the War Veterans' Allowance Act be included in the Canadian Pension Act, and further, that this clause be so worded as to provide for the widow.

On page 20 we find the following:

> That the government amend this section of the act so as to eliminate this date line.

And also:

> That the burial grant be made at least equal to the amount provided in the veterans burial regulations, and that the amount allowed for last illness be increased to a figure more in keeping with present costs than the $50 now authorized.

I have listed only 13 of the 30 recommendations of the Canadian Legion. Under the circumstances it might not be in the best interests of everyone if I were to take sufficient time to read the entire 30 recommendations but I believe they should be before the people of the country in order that they might bring a certain amount of pressure to bear on the men they elect.

I think I know why it is that our veterans have not had as good treatment as we would have wished. It has been because the government of the day has felt it has not the money at its disposal. I am quite positive that is the chief difficulty in the way of the present minister. He is now beginning to worry about how these promises which were rather freely, and I think extravagantly made can be kept and made good. I realize that under the present system there is difficulty in getting money to do all the things we should but I do not believe there is any difficulty in finding the goods and services in this country with which to supply the veterans all they need.

Consequently when we look at the matter from the standpoint of Canada's ability to

provide the goods and services necessary to establish a high standard of living for her soldiers we find there is everything in Canada but the common sense necessary to make what is physically possible financially possible. Therefore, I think the people of this country ought to be aroused to the point where they will say, "Look here, if we can produce all the milk and other products of that kind to provide for our population and all the goods and services necessary to provide a comfortable standard of living, it is downright scandalous if our veterans cannot be provided with all of those things they need and can use".

I thought it would be worth while, Mr. Chairman, just to say a few words along this line. I have not said very much concerning veterans affairs during the last few years because we have had very able spokesmen in this group and because as it has been organized it has not been my particular responsibility to speak on the subject of veterans affairs. Nor is it my special responsibility today except that as a representative of the constituency of Lethbridge in which there are great numbers of veterans from world war I and world war II and a number from the Korean war I feel that it now becomes my duty to the veterans and the people of Lethbridge generally to speak out in support of a better deal for the veteran all across the board.

Resolution reported and concurred in.

Mr. Brooks thereupon moved for leave to introduce Bill No. 35, to amend the Pension Act.

Motion agreed to and bill read the first time.

INDUSTRIAL RELATIONS

PROVISION OF ANNUAL VACATIONS WITH PAY FOR EMPLOYEES IN FEDERAL WORKS

Hon. Michael Starr (Minister of Labour) moved the second reading of Bill No. 16, to provide for annual vacations with pay for employees in public works, undertakings and businesses.

He said: Mr. Speaker, as I rise in moving second reading of Bill No. 16 which is an act to provide for annual vacations with pay for employees in federal works, undertakings and businesses I consider it a great privilege for me to be able to present this bill to the house at this time. I hope that in days to come I will have the privilege of presenting other bills which will be of benefit to the people of Canada.

The purpose of this bill is quite simple. It aims to provide two weeks annual vacation with pay to all employees who have completed two years' employment in industries under federal jurisdiction and one week's holiday with pay for those who have completed less than two years, but at least one year. In the first instance, pay is calculated at 4 per cent of the gross earnings, and in the second instance at 2 per cent. The bill provides an answer to many requests which have been put forward over the years by labour unions and other interested groups and, in effect, grants what has customarily been a subject of collective bargaining. It takes the two weeks vacation out of the collective bargaining arena and makes it mandatory for employees with more than two years' service.

This legislation will benefit employees in works and undertakings connected with shipping, navigation, railways, canals, telegraphs and other interprovincial and extra-provincial activities, including ferries, aircraft, radio broadcasting, banks and one or two industries such as uranium which have been declared by parliament to be for the general advantage of Canada. The act also applies to crown corporations.

A majority of employees in these industries are now getting two-week vacations as a result of collective bargaining agreements. However, there are still approximately 5,000 workers in these industries who do not receive vacations with pay as a matter of right. Furthermore, there are more than 150,000 workers in these fields who must be employed for three years before qualifying for two weeks holidays with pay as outlined in this proposed measure.

In arriving at the provisions of the present bill we felt it necessary to study the provincial legislation in this field. Five provinces provide for a vacation of one week after one year, they are New Brunswick, Quebec, Ontario, Manitoba and Alberta; two provinces provide for a vacation of two weeks after one year, namely Saskatchewan and British Columbia. Alberta also provides for two weeks' vacation after two years and Manitoba provides for two weeks after three years. Thus it can be seen that Bill No. 16 is equal to or better than the vacations provided in five of the seven provinces having this legislation. There is no provincial vacation legislation in Newfoundland, Nova Scotia and Prince Edward Island. The New Brunswick legislation applies only to mining, construction and related industries brought within the scope of the act by Order in Council.

As to the various features of the bill, I feel that it compares favourably with any such legislation elsewhere. A year of employment is reckoned from the day on which

continuous employment begins. There is also provision for a vacation plan based on a calendar year system, which is subject to certain conditions which will be set out in regulations. Thus, the bill will be quite flexible in its application.

The period within which the employer is required to schedule the vacation is set at 10 months following the anniversary day marking the completion of the year of employment. This is the period commonly fixed in legislation in the provinces.

Should a holiday occur during vacation—such as July 1 or Labour day—the vacation is extended by one day with pay provided that the employee would have been paid for working on that day had he not been on vacation. A transfer of business to a new owner does not break continuity of employment.

When the legislation comes into effect all those who have completed the required period of continuous employment will be entitled to the stipulated holidays with pay, as detailed in the bill.

On termination of employment an employee is entitled to vacation for any completed year in which he has not received a vacation and also for the completed portion of the year, based on two per cent, or four per cent, depending on the period of service. This does not apply if employment is less than 30 days duration.

The legislation overrides any other contract or arrangement except when such contract or arrangement is more favourable to the employee. A collective bargaining agreement, however, is an exception if it is binding upon the employer when this legislation comes into force. If the agreement provides for an annual vacation, the terms of the agreement shall continue to prevail until the agreement runs out. This will make for orderly adoption of the legislation and prevent confusion.

The legislation provides authority to make regulations dealing with administrative and enforcement matters. There is also authority to make special provisions in respect of seasonal or temporary employees.

I feel that these provisions, Mr. Speaker, should commend themselves to the house and that this legislation is a positive step toward giving labour as a statutory right what has long been a subject of bargaining.

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, first I wish to compliment the Minister of Labour (Mr. Starr) on his very worth-while contribution this afternoon and on the way in which he has explained the provisions of the bill which he proposes, which will provide for vacations with pay for all of those employees who come within the jurisdiction of the federal government. It has always been my contention that matters such as these should not necessarily be left to the collective bargaining table. During my years of support of the Liberal administration I have worked ardently in an endeavour to get the cabinet to see my way of thinking, not only with regard to this particular measure, but with regard to union security and other legislation which might be of benefit to labour itself and to the labour movement in general. Therefore, I do not think it is inconsistent on my part to congratulate the minister on his introduction of this bill and again on the very clear manner in which he explained its various details.

I do think, however, that the minister should have given consideration to the bill introduced by the hon. member for Winnipeg North Centre (Mr. Knowles) which does provide better legislation, in that an employee after working one year would be entitled to two weeks holidays with pay. After all, that employee during the year has contributed an equal amount to the industry itself, to the production of the industry and to the profit that that industry might show.

I find it difficult to understand why the government should wish to discriminate between one year of service and two years of service. If the minister intends to use length of service as a yardstick for vacations with pay then he should take the matter further, as some corporations do, and give extra holidays for continuing service. That is all I have to say on this point.

I am pleased to note that it does extend to crown corporations. While the minister has said that the majority of those employed in crown corporations already enjoy the benefits of vacations with pay, he has indicated that there are some 5,000 not now receiving vacations with pay. This legislation is certainly going to be helpful to them.

It is quite revealing to hear that 150,000 employees must work three years before receiving two weeks vacation. The federal government, which is the senior government, and which has in the past in many respects been very progressive, should be the one to take the lead in all of these matters. Therefore, I think the minister in drafting this legislation should follow the pattern of some of the provinces which do have legislation which is much better than this bill. I believe the minister did say—and I know it to be a fact—that the province of British Columbia provides for two weeks holidays with pay and, of course, that extends not only to employees of the government or corporations

coming under its jurisdiction, but to everyone. We should use that as a yardstick. I would hope that when the minister introduces the bill and we come to that particular clause he will be prepared to move an amendment which will have the effect of removing any apparent discrimination.

I am pleased to note also that when a statutory holiday falls within a vacation period the employee will be allowed one extra day of vacation and will be paid for the extra day. This follows the practice of the more progressive industries, and I am pleased to note that the minister has adopted that policy. I am pleased to note also, although it is not too important, that there will not be too much confusion with respect to collective agreements that are already in effect. I have little more to say. I welcome the legislation and I am sure that everyone on this side of the house will give the minister all the support necessary.

Mr. Frank Howard (Skeena): Mr. Speaker, like the hon. member who has just spoken I should like to offer my congratulations to the minister on the manner in which he introduced the bill and dealt with some of the more technical aspects of it. I certainly cannot go as far as the hon. member for Kootenay East (Mr. Byrne) and give complete endorsation to the provisions contained in the bill. In fact, when I read a copy of the bill and studied it I debated in my own mind whether it would be advantageous to vote for it because there are certainly a number of deficiencies in the proposal now before us.

In my opinion, one major one is that the bill reveals a different attitude on the part of the people occupying the government benches now from that which they expressed in 1956 when a similar bill was before the house and was voted on. I note that on July 27, 1956, ten of the present cabinet ministers stood up in the house in their places and voted in favour of a bill which contained far better provisions than this one does. Perhaps at some later date we can have an explanation of why this change of mind has taken place.

There is another matter which I think is not too good. While it does not relate specifically to the bill, nevertheless I hope, Mr. Speaker, that you will grant me the leeway to deal with it. We have understood for some time that the Conservative party—this was enunciated quite strongly in some quarters during the election campaign—was in favour of a unified national labour code or uniformity of legislation throughout Canada. I would have been far more pleased if the minister had been able to introduce a bill and make the necessary changes in other legislation under our jurisdiction that would have provided a uniform system of vacation allowances and payment therefor in all of the provinces of Canada and the Northwest Territories so as to cover all the people who at present come under the labour jurisdiction of this parliament. We would have been far better off. We could have approached the provinces along these lines and have moved towards establishing a uniform labour code by taking the first step on the question of vacations rather than adding just another system to the five or six, I think the minister said, in those provinces with vacation with pay legislation.

In my opinion, there are many other things wrong about the bill presented to us. I hope we will be able to take the opportunity at another stage of the proceedings on the bill to deal with them more particularly and to get clearer answers from the minister about them. I hope to convince him that the suggestions we will make with respect to certain clauses are valid and that they will be accepted.

Many hon. members who have been here for some years will know that the members of the present government, when they sat on the other side of the house, complained regularly, bitterly and justifiably so, I think, about too much legislation by order in council and not enough by parliament. We heard all about the supremacy of parliament in deciding these things. Yet when we look at the bill now before us we find that it makes provision for regulations which could very easily and conceivably end by being longer than the legislation itself. I for one am opposed to giving that amount of authority to make regulations under this legislation especially when there is provision for putting some extra loopholes in the regulations, exempting certain groups of people from the legislation and similar things of that nature. All that the bill does, if we accept the minister's figures as to the number of people who will be covered by the legislation, and I do accept them, is to go about halfway in effecting statutory recognition of certain rights which have been obtained through collective bargaining.

There is another point in which I am interested and I hope the minister will take the opportunity to answer regarding it. It relates again to what we understood to be the policy of the government as enunciated during the election campaign in the matter of drafting and enacting so-called labour legislation, of which this is a piece. We understood that the legislation would be drafted after consultation and discussion between labour and management groups so that all would be present at one time to

present their ideas and views, I do not know whether or not it has been done. If it has, then to my knowledge it has not been very well publicized and not too many people know anything about it other than the presentation which was made to the government by the Canadian Labour Congress.

Not only in this parliament but in the legislatures of the various provinces where there are governments that are partial to what I might classify as the present capitalist system we invariably see that when legislation is drafted by a government following that type of thinking the legislation generally reflects the attitude of the Canadian Manufacturers Association and does not represent too well the desires and needs of the working classes. If legislation does err or is flexible in any way, it errs or is flexible so far as the employer is concerned and is not flexible with respect to the people who will receive benefits under such legislation.

If I have got the wrong impression from some of the words the minister used, I beg his forgiveness, but I understood him to say that the bill would take the question of vacations with pay out of the realm of collective bargaining. I do not see that in the bill. I do not think that is what the minister meant to imply. I hope I have got the wrong impression because I certainly would not want to see anything take place that would remove anything relating to collective bargaining from that process. Certainly the people who join unions want to see their unions get for them the best possible wages, hours and working conditions by collective bargaining and in contractual provisions with their employer. I hope I got the wrong impression from what the minister said.

Perhaps at this stage we could conclude by saying that while we do not wholeheartedly endorse all the provisions contained in the bill we are in agreement with the general principle of providing vacations with pay for employees. There is plenty of precedent for it in the various provinces that have passed legislation establishing vacations with pay for employees under their jurisdiction, and we have just followed that. When the bill reaches another stage I shall have more criticism and suggestions to make for changes to plug the loopholes that exist in this bill.

Mr. C. E. Johnston (Bow River): It is not my purpose at this time to go into the details of the bill. When the question of introducing this bill came up the other day I did not think it was definitely established we would go on with it today. I should like to say to the minister that I think the introduction of this legislation is very timely. It is something which we in the Social Credit party have always advocated, that is that the working man should be entitled to at least two weeks' vacation with pay in any one year. This is the first time that the government has come forward with a bill to make it known definitely by legislation that all those employees in the federal field would be receiving this benefit.

In so far as the reference to taking the matter out of collective bargaining is concerned, it does seem to me that once this bill becomes law then all those people employed in government corporations, such as the C.B.C., the railways, those working on government ships and things of that kind, will have the right to have two weeks' vacation with pay. There is no argument about that. There is no collective bargaining about that. This does not mean to say, at least I take it does not, that collective bargaining is stopped. Certainly this measure should not bar employees from bargaining if they so choose for an even greater number of days of vacation with pay. However, it does state very definitely that the law shall be that employees shall have two weeks' vacation with pay. I do not think there can be any question about that.

There was a question raised about the regulations. As we all know, it is a fact that regulations must be made under any act, but no regulation at any time can contravene the act itself. All we are concerned about now is the act itself. We cannot debate any of the details of the bill. It is a rather long and involved bill and therefore we shall not at this time endeavour to discuss the details. It is not my intention to deal with any of the clauses, although there are some clauses that are probably important—

Mr. Starr: With the hon. member's permission, and since this question of collective bargaining has been brought up by the hon. member for Skeena (Mr. Howard) as well as the hon. member for Bow River (Mr. Johnston), I may say that in my statement I said that this bill will override any other contract or arrangement except when such contract or arrangement is more favourable to the employee.

Mr. Johnston (Bow River): I think those are the words I used, or words to that effect. The bill states definitely that there is two weeks' vacation with pay, so there can be no bargaining about that. I do not think the employees would want any bargaining on that point. They may agree to bargain, though, and it would be their right, for any

increased number of days of vacation with pay. In my judgment at least, the bill does not bar them from that.

A moment ago I was speaking about the regulations, and I pointed out that the regulations will not be contained in the bill. There will no doubt be regulations attached to this act in the course of its implementation, but no matter what those regulations may be there is no regulation that may be made contravening the act itself. Hon. members who are here should see that this bill is for the purpose of protecting the labouring people. It has been our contention for quite some time that legislation of this type should be introduced. On many occasions we have expressed the thought that surely in this economic age, with all the tremendous developments and production we have in this country, people should be entitled to two week's vacation with pay after working for 50 weeks. We have always taken that stand and shall continue to take that stand.

When the bill reaches the committee stage we will be able to discuss it in more detail. For the moment, let me say we are in favour of the general principle of this bill but we will have remarks to make on the different sections, probably suggesting to the government that there should be changes made here and there. However, in principle, we do agree with it and will support it to that extent.

Mr. T. S. Barnett (Comox-Alberni): It was on May 11, 1956 when a bill incorporating the principle of providing vacations with pay for employees under federal jurisdiction was first introduced into this house by the hon. member for Winnipeg North Centre (Mr. Knowles) on behalf of the C.C.F. group. I must say that I regret the hon. member is compelled to be away at a time when this bill is being introduced for the first time from the government side.

As has already been made clear by the minister and by others who have participated in the debate, there is a very important difference between the bill introduced in 1956 by the hon. member for Winnipeg North Centre and the bill we now have before us. This difference is that this bill provides for two week's annual vacation with pay only after an employee has completed two years of service rather than after the completion of one year of service as in the former bill. Perhaps one could agree that the action which has come from the government side has arrived a little more quickly than in former years in so far as bills in the field of labour legislation introduced by the C.C.F. group are concerned. This is perhaps the result of an election which has given us a government who may feel disposed to act a little more quickly than would otherwise have been the case because of the complexion of the membership of the house.

I am quite sure that the Minister of Labour (Mr. Starr) is sincere in his desire to have this legislation become part of the law of Canada. I would suggest, however, he is perhaps adopting some of the practices of his predecessor in office in that he seems disposed to drag his feet considerably in the introduction of certain measures. I would have been much happier if in this bill he had been disposed to go at least as far as the hon. member for Winnipeg North Centre did in 1956. To the working people of Canada it would certainly have appeared that this bill was being brought in with more alacrity than that with which it will appear to have been brought in at the present time. I think that is particularly true because of the fact that it is such a short time since the delegation of the Canadian Labour Congress presented their request to the government for a bill which would provide by law two weeks' vacation with pay after employment for a period of one year.

I must say that I felt the minister's remarks had a familiar ring in respect of the reasons why he was not prepared to go any further than he has gone when he outlined to us the provisions that were existent in the various provincial acts in this same field. He apparently is quite content to stay with that line of argument we used to hear from his predecessor, namely that in the field of labour legislation under no circumstances is the federal government ever to get even half a step ahead of any of the provinces.

Coming as I do from a province where our labour legislation in this field now provides two weeks' vacation after one year of employment, I perhaps am more aware of the fact that the present government is dragging its feet than I would be if I came from one of the other provinces he mentioned where they have not yet any legislation in this field.

In discussing this type of bill previously, I have expressed the point of view that in this field the federal government could very well be the one that was leading the way. We hear a great deal of talk about the need for national unity and for the development of a sense of our Canadian nationhood. I suggest that nothing could help more to create among the working people of Canada that sense of belonging to a Canadian nation than to have a federal government which would be prepared to take a lead in these things as far as its jurisdiction extends. Yet apparently this government, as was the previous government, is prepared to drag its feet and go

only as far as it is pushed by the sheer weight of public opinion as it has expressed itself through the various provincial legislatures.

The minister made reference to some figures with respect to those who now enjoy vacations with pay as far as employees under federal jurisdiction are concerned. If I caught his figures correctly, he said that about 150,000 employees under federal jurisdiction now enjoy two weeks' vacation with pay after three years or more of employment. Those employees, of course, under the bill which he is bringing in, will receive some benefit.

I am interested in the figures he used because of the fact that his predecessor, the former minister of labour, on May 11, 1956, put on *Hansard* a table indicating the situation in respect of employees under federal labour jurisdiction. According to the figures he gave us at that time, there were about 167,000 employees under federal jurisdiction who were entitled to two weeks' vacation with pay after three years of service. I mention that figure given to us by the former minister of labour and I contrast it with that given today because it indicates that the need which was put forward in 1956 by the hon. member for Winnipeg North Centre for statutory provision for two weeks' vacation with pay after one year of employment is approximately the same now as it was then.

Mr. Starr: Mr. Speaker, at this point may I say this to the hon. member for Comox-Alberni. In my statement I said that there are more than 150,000 workers in these fields who must be employed for three years before qualifying for two weeks' holidays with pay. I did not say the figure was specifically 150,000; I said it was more than 150,000.

Mr. Barnett: I am glad to have the minister's clarification of the meaning of the 150,000 figure. I think perhaps it lends point to what I was saying. From that I would infer that there are approximately the same number now as there were in 1956 when the former minister of labour put that table on the record. I would therefore submit that the need for providing by law two weeks' vacation with pay after one year of employment is as great now as it was when the hon. member for Winnipeg North Centre, in the form of a bill, first brought this idea into this house.

It seems to me that those of us who sit in this house should be prepared when we come to deal with matters of this kind to recognize much more fully than we do—at least from the treasury benches since I have occupied a seat in this house—the actual realities of life as the average industrial worker faces them today. The industrial worker, and those who perhaps might not be properly classified in that field particularly, see that those in other fields of activity by custom have come to enjoy a full two weeks' period of vacation with pay, with very little question of their right to enjoy that benefit. I have argued before, and I argue again that any proper concept of the kind of society in which people can have opportunities for realizing their rights as human beings requires in this industrial age that there should be at least two weeks as a matter of right during which they can get away from their normal duties without having to suffer from a loss of income.

Mr. Speaker: Order. I do not like to interrupt the hon. gentleman but as it is five o'clock I wonder whether he would move the adjournment of the debate.

Mr. Barnett: I should be glad to move the adjournment of the debate, Mr. Speaker.

On motion of Mr. Barnett the debate was adjourned.

Mr. Green: Mr. Speaker, may I ask leave to revert to motions in order to move, with the unanimous consent of the house, the following resolution.

Mr. Speaker: Has the minister leave to revert to motions with the unanimous consent of the house?

Some hon. Members: Agreed.

BUSINESS OF THE HOUSE

HOUR OF SITTING ON MONDAY, NOVEMBER 11

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I move:

> That notwithstanding the appointment of Monday next as a day for the consideration of the order for resuming debate on the motion for an address in reply to Her Majesty's speech, the house shall meet at 2.30 p.m. on that day and the provisions of standing order 2 (2) shall be suspended in relation thereto.

We are planning to proceed with the throne speech debate next week and if it were not for a motion of this type the house would be obliged to meet at eleven o'clock on Monday morning. We thought hon. members might wish to have the opportunity to attend ceremonies in connection with the Remembrance day on Monday morning and for that reason we are putting forward this amendment.

Mr. Lesage: Is it intended by the government to repay these two hours which will have been lost in connection with the speech from the throne, at another time?

Mr. Green: That was not the intention, Mr. Speaker.

Mr. Coldwell: We have part of a day coming to us now, on account of time lost on the throne speech.

Mr. Green: I believe the facts are just the opposite—we gave the house several extra hours a week or two ago.

Motion agreed to.

PRIVATE BILLS

THE BELL TELEPHONE COMPANY OF CANADA

Mr. C. E. Rea (Spadina) moved the second reading of Bill No. 27, respecting the Bell Telephone Company of Canada.

An hon. Member: Explain.

Mr. Rea: Mr. Speaker, I should like to try to give hon. members of the house the highlights of this bill. There is a lot of background to it. First of all, may I say this is an act respecting the Bell Telephone Company whose main object is that they wish to increase their capital. May I repeat that, Mr. Speaker, they wish to increase their capital.

For the benefit of hon. members who may not have read the bill, the Bell Telephone Company of Canada, which is petitioning for this act, was incorporated by act of parliament on April 29, 1880, just four years after the telephone was invented. At that time there were few scattered telephone companies located in some of the larger cities of eastern Canada, such as Hamilton, London, Windsor, Montreal, Toronto and Quebec. These were purely local systems having a few subscribers, they were not connected with each other. One of the purposes of the incorporation of the Bell Telephone Company of Canada was to bring these small organizations together into one integrated system so as to permit subscribers in one locality to communicate with others in another locality. To this end the Bell Telephone Company of Canada was incorporated with power to extend its operations throughout Canada.

Since the Bell Telephone Company has had to come to the House of Commons to ask for increases in capital due, of course, to increased capital expenditure in line with the growth of Canada and of the telephone service. They came to parliament in 1884; they came again in 1892; they came again in 1902; they came again in 1906; again in 1920, 1929 and 1948; and now, in 1957, they are asking that their capital of $500 million be increased to $1,000 million.

The Bell Telephone Company has, however, never extended its system throughout the whole of Canada. At no time did the company ever operate in British Columbia and in the early years of this century the company had given up its interests in the provinces of Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia and Prince Edward Island, and disposed of all its plant and property in those provinces. The result is that since 1909 the company operations have been confined exclusively to the provinces of Ontario and Quebec with, of course, facilities enabling a connection to be made with the systems serving the other eight provinces and the United States and, either directly or indirectly, connecting with all other systems throughout the world where the interchange of telephone communications is permitted by the laws of other countries and by the facilities provided by such other systems.

Connection may now be had with the systems of 133 other countries. The 2,766,153 telephones which the Bell Telephone Company served at the end of 1956 were all, as I said, located in the provinces of Ontario and Quebec. Here is just a little history about the percentage of people having telephones. It is estimated that there are about 4,500,000 telephones in Canada, which works out to about one telephone for every four persons. Great Britain has one telephone for every seven people and in the United States there is one telephone for every three people.

Many hon. members may not realize that in the provinces of Ontario and Quebec which the Bell Telephone Company serves there is a total of 677 separate telephone systems. That is just in these two provinces, and it is something a lot of people do not know. The total number of telephones in these provinces is 3,056,000 of which the Bell Telephone Company serves approximately 2,766,000. Of the remaining telephones all but some 300 are served by 674 connecting systems with which the company interchanges service. It is due in great measure to the company's long distance lines that these systems in Ontario and Quebec are interconnected so that a subscriber, as I mentioned before, in one particular district can communicate with a subscriber on another system.

The ratio between telephones and subscribers in the two provinces of Quebec and Ontario is one for every three people. In British Columbia the ratio is also 1 to 3. In Alberta it is 1 to 4; Saskatchewan, 1 to 5; Manitoba, 1 to 4; New Brunswick, 1 to 5; Nova Scotia, 1 to 5; Prince Edward Island, 1 to 7 and Newfoundland 1 to 12. As I said before, in the territory served by the Bell Telephone Company of Canada there is one telephone for every three people. In 1920 there was one telephone for every 10 people.

The Bell Telephone Company is not asking this parliament to vote it the amount of additional capital that it needs. What it asks is that parliament shall grant: first, the

power to create, with the approval of its shareholders, new authorized capital as it needs it to the extent of $500 million; second, the right, having the required authorized capital, to go to the board of transport commissioners for Canada from time to time and try to satisfy it of the propriety of making an issue of a specified amount of such authorized capital and of the price, terms and conditions upon which it is to be issued; and, third, the opportunity, after complying with the applicable securities acts or "blue sky laws", of going to the Canadian investors who, the company believes, have confidence in our country's future and in the Bell Telephone Company of Canada, and seeking from them the capital moneys the company needs for the purpose of serving the public of Ontario and Quebec with essential telephone service.

I have already mentioned the approximate number of telephones which are now in use. Here is something rather interesting: it is estimated that for 1957 there will be 2,980,400 telephones with 2,053,000 subscribers; of course, I suppose a lot of homes have more than one telephone. The number of applications waiting to be dealt with amounts to 18,668 for established services and for a higher grade of service, 38,200, which is over 56,000 unfilled orders. As at the end of 1956 there were 10,276,352 miles of local telephone wire and 1,090,330 miles of long distance telephone wire or a total length of 11,366,682 miles of wire in use. The estimated number of employees at the end of 1957 is 17,300 men and 25,200 women or a total of 42,500 employees.

May I again turn to the petitioner's need for additional capital and point out that at the end of July 31, 1957 it had left $34 million-odd of unissued or uncommitted capital stock. This remaining amount of authorized capital of $34 million-odd is being continually reduced by the monthly issue of shares which have been paid up under the Bell Telephone Company's employee stock plan. The operation of this stock plan will reduce the balance of authorized capital stock to something less than $26 million during the course of next year and $26 million would fall far short of the amount required to enable the company to make an issue of capital stock to provide it with the capital it requires when it next finances by that means. It is wholly insufficient to enable the Bell Telephone Company to carry on its substantial construction program which it now has underway and which it must carry on if the citizens of Ontario and Quebec are to have the telephone service they require and upon which they are dependent to enable them to communicate with citizens in other provinces of Canada, the United States of America and elsewhere in the world.

To provide the telephone facilities required to meet the heavy demand is not just simply a matter of producing telephone instruments and stringing connecting wires. Telephones and wires are useless without switchboards and the central office equipment necessary to make them function. Switchboards and central office equipment are most complicated pieces of apparatus. They cannot be obtained ready made and must be designed and manufactured for the precise place in which they are to be installed. Then too, the company cannot instal switchboards and central office equipment without having proper buildings in which to house them. These buildings and additions to buildings must be designed and erected. It will be appreciated that the planning, designing, manufacturing and erection of switchboards and central office equipment and buildings all involve projects which must be planned in advance, engineer designed and provided very far in advance of when required to provide time to carry them into effect. It will also be appreciated that in the planning and designing of equipment and buildings it is necessary for the company to be in a position where it can see its way clear to finance such projects. It is unthinkable that the company should let itself, or be permitted, to run out of the funds required for providing and extending service to the people of Canada.

Some hon. members may wonder what the company is going to do with this additional capital if it is allowed to increase and dispose of it. The company estimates that in the next five years, commencing in 1958, it will have the following construction expenditures: $191 million, $204 million, $197 million, $189 million and $181 million or a total of $962 million. Some hon. members might also ask where the company will get the extra $462 million. The company feels that with the increase in capital it will be able to use its assets for borrowing the balance and thus, with an increase in capital of $500 million, it plans to spend $962 million within the next five years commencing, as I said, in 1958.

I have given a breakdown of the company's estimated construction expenditures. The company figures it will have to pay $1 million for rights of way, $66 million for lands and buildings, $339 million for central office equipment, $236 million for station equipment, $281 million for outside plant and $39 million for general equipment.

Figures are sometimes rather pleasant to hear and I have some additional calculations which may interest hon. members. In 1947 the company handled 165,000 long distance calls every day and in 1956 it handled 317,000 long distance calls each day. In 1956

the company handled a combined total of local and long distance calls of 18 million a day. There must be a lot of talking done in this country and I am sure all of it is not done on the floor of this house.

I might advise hon. members that this bill will go to the appropriate committee so that if hon. members wish to ask technical questions they will have the opportunity of addressing them to officials of the Bell Telephone Company who will be present to answer them. I take pleasure, Mr. Speaker, in moving second reading of this bill.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I listened with interest to the recital of the history and accomplishments and purposes of this company by the hon. member who is sponsoring the bill. I judge that the document was carefully prepared by the solicitors of the company because it read in quite a legal form.

This is a very important bill. We have here a private corporation coming to this house asking for permission to increase its capital by $500 million. As a matter of fact, this bill provides for a billion dollar development by a private company over which this house has very little control. Now, I would not deny the necessity for the extension of the services rendered by this company in that portion of Canada it serves but this is a tremendous expansion by a private monopoly largely owned and controlled in the United States, and while the telephones are located in Ontario the ownership and control is located south of the border.

A search of the records of the combines investigation branch, in this house and in other places, and a reading of the history of monopolies in Canada will provide illustrations of many unsavoury developments and incidents. The whole history of combines development in this country is marked with unethical practices. We had that brought to our attention just the other day by the Minister of Justice (Mr. Fulton) in his announcement to the house with respect to the intended prosecution of a supposed combine in this country. One has only to read the records of the past of the comparatively small number of investigations and prosecutions in relation to the number of combines that exist in Canada to realize that this type of development, in the opinion of this group and in the opinion of an increasing number of people in this country is not in the interests of the Canadian people. It is no wonder that increasing numbers of the public are becoming suspicious of the large scale development of these monopolies. We all know that recent disclosures with respect to the control of pipe line companies, their financing and the profits made by a very few individuals, which the consumers of this country will have to pay, are increasing that concern and causing it to grow from day to day.

I tell you, Mr. Speaker, I am normally a very placid and mild mannered man but I am surprised at the letters I receive from people, who are even supporters of the government party in this house, expressing concern over this developing control of our economy by very few individuals. This is also indicated by editorials in the press across this country. One has only to read the *Free Press* of recent date, the Toronto *Telegram*, I think it was, and the Vancouver *Sun*, to realize that even these orthodox papers are becoming conscious of public opinion in this respect and are reflecting public opinion to the extent that they deal with this question. The combinations that are developing in the transportation of gas, oil and other public services and the development of our natural resources are causing the promotion of larger and larger combines of capital and are handing the actual control of this nation over to fewer and fewer people.

What about this company? I do not blame individuals. After all, we are creatures of the environment in which we live. I think we in this House of Commons are sent here to express our opinions and to express them fairly and clearly when we see situations developing, as a result of the rather better opportunities we have than the average Canadian citizen has to see how these things are developing. What about this company? Outside of obtaining a licence from the board of transport commissioners and the reference as to rates, there is actually no other control over this company. So far as services are concerned, this company can do exactly as the British Columbia Telephone Company does, carry on its extensions and developments according to its own desires and its own wishes and give service where it is profitable and deny it where it is not. I do not think that is a proper situation, Mr. Speaker.

No doubt when the present legislation was first introduced it was satisfactory because there were relatively few large corporations in this country and monopoly development had not gone to the stage that it has today. However, we are living in changing times and circumstances and I suggest we have to use new procedures to meet those changing times and circumstances if we are to make certain that these developments are to the advantage of the people as a whole. Therefore, I am going to make a suggestion, and I am not for one moment suggesting that it is an original thought with me. I think it is

time that we had a committee of this house and of the Senate to inquire into the activities and effects of public service corporations which are monopolies in this country.

In this house we have an opportunity periodically to examine the operations of the nationally-owned railroads. That is done in a committee of the house. We have an opportunity to examine the banks, but once this company obtains its licence and its rates are established by the board of transport commissioners there is no control, no planning and no direction. These financial groups are carrying on in that way. As I said before, I do not blame any individual but I think it is about time that a committee of this house, in association with members of the Senate, had the opportunity to make a thorough investigation of the activities and the effects of these large public service corporations which are monopolies.

In my opinion, Mr. Speaker, it is about time that the people knew the facts and this is one way to obtain the facts which hon. members should take advantage of and exercise some increasing control over these large corporations and monopolies through this house which represents the people.

Mr. C. E. Johnston (Bow River): Mr. Speaker, this is a bill which affects Ontario and Quebec, I think, more than it does any other part of Canada. I have not had time to go over it too carefully. It is a rather complicated bill. Our experience in the past when dealing with subjects of this kind, has indicated that there should be a good deal of careful thought and study before this house gives its consent to such a measure as this. Last year we had the experience of a pipe line company which wanted to divide its shares five for one. On the surface there did not seem to be much objection to it. I took the stand on that occasion that we would not give our consent to the passing of the bill until it had a thorough going over in the committee and after that had been done we would be in a better position to give our decision as to whether or not we favoured the bill. I think the same thing could be true here.

This is a large company. Of course, I am not objecting on the ground that it is a large company, as the hon. member for Kootenay West (Mr. Herridge) did, and certainly not for the same reasons he gave; but I think we should be careful with a bill such as this one before we pass judgment on it.

The sponsor has stated that it is going to the committee. Since he has said that it is not necessary for me to dwell too long on the bill because my experience has been that when a bill of this kind gets before the committee and the proper witnesses are called that is the time and place when all these different details can be brought out.

On the surface, it seems to me a rather large order for this company to come here and ask permission to double its capitalization, and especially when it wants the right to raise its capital another $500 million from time to time without coming to the house for consent. I have never known the house on any occasion, when there was a bill of this kind put before it and the reasons were legitimate and it was supposed to be in the interests of Canada, not to give consent. It does seem to me a pretty big order when they say that the company shall increase its capital assets from time to time without having to come back to the House of Commons. In view of the fact that it is a rather large order to ask for we should be a little cautious and at least the members of this house and of the committee should go into it very carefully.

As I say, the hon. member has indicated that the bill is to go to a committee. I am going to leave my reservations at that; I am not going to commit myself one way or the other on this bill, whether we will give our consent to it or not, until we have had it before the committee and there decided on its merits.

Mr. G. H. Castleden (Yorkton): Mr. Speaker, in the request in this bill the Bell Telephone Company of Canada, with control from the other side, is coming to the government and asking permission to expand its capital assets by another $500 million. That is quite a heavy order. It is becoming a rather powerful company.

The member who is sponsoring the bill indicated this afternoon that the company is going to do some expansion in the way of providing telephone service to the people of Ontario and Quebec. There is a great demand for such service and I am sure that these people would like to see telephones installed in their homes as quickly as possible so that they may receive service. But surely it would not require this amount of money to provide these services for the people of these two provinces.

As a matter of fact I believe that behind the bill is a plan to get control of a much larger field of communications than simply telephone service and not only within two provinces. I believe their aim is nationwide control in some fields of communication which are very important to us. When the president of this company dealt with the matter in a speech about a year ago, as reported in the *Financial Post*, he indicated a much wider and broader field of expansion

than presented this afternoon by the hon. member who is sponsoring the bill. The president of the company indicated pretty clearly what their plans were. He told about what the company was doing in the expansion of what they called the picture-phone. The company's laboratories are now working on a project whereby when you telephone someone and they answer a picture will appear and you will be able to see the person to whom you are speaking.

There is also expansion in the field of long distance dialing. Those who use the long distance services can verify that very quick service is given by means of long distance dialing. Operators in one city can dial almost directly through to other cities in different parts of Canada and give very rapid service.

There is also rapid development in the teletype field and in what the company calls integrated data processing whereby business machinery in an office in one part of the country is connected with mobile radio installations and central control agencies and can receive signals from other offices of the business throughout the whole of Canada. The example the president of the company used at that time to illustrate the company's intentions was the trans-Canada pipe line. When the line is finally in operation the central control office of the company is going to require immediate data respecting the flow in various parts of the 2,000 mile pipe line. This is an excellent project and shows remarkable progress.

The president of the company referred to another field which the hon. member did not mention at all this afternoon, the rapid expansion of control by this company of the whole microwave relay system across Canada which will extend from Sydney, Noya Scotia, to Vancouver. The telephone company has already built most of the system and by the end of next year they expect to have the microwave relay stations completed. It will be a billion dollar operation before final construction is completed.

What I should like to draw to the attention of hon. members and warn them about is the fact that once this company gets this amount of money, proceeds to expand and and is given the right to control the microwave relay field, practically every television station across Canada will have to rent the service of the Bell Telephone Company in order to secure transmission of television programs. The president also stated that the company would have facilities for colour television. I should like to know the extent to which the C.B.C. is renting the service of the Bell Telephone Company microwave relay system for their broadcasts at the present time. What is the tribute being paid by the C.B.C. to the Bell Telephone Company today? What is going to be the position of the Bell Telephone Company in another ten years with regard to complete control of the microwave relay system? When it is established they can quite readily and easily prevent any competition of any kind. They will remove competition from the field. If they remove competition from the field, then what is the toll the Canadian people will have to pay for the operation of the telephone company's television relay and communication systems throughout the country?

If private enterprise can carry out this project, let it do so, but everyone who supports the private enterprise idea states that one of the main objectives, one of the things which keeps private enterprise on the go, is competition. What happens when you eliminate competition? Is there any possibility of competition in this most important field? Communications are vital to modern industry and modern living. Does this bill mean that the company is going to have a monopoly in the television microwave relay field throughout the country? If it does, then I think we should oppose it.

My reason for saying that is that when competition is not possible we have a system of guarantee extortion from the Canadian people, and I do not believe our people will support the granting of monopoly in a public service to any company. To prevent that kind of thing, we believe it is a good idea for the government to go into the public service field. If there are any profits to be made from that field, then those profits will accrue to all the Canadian people rather than one powerful, wealthy firm being permitted to have control and name its price for its services.

In the province from which I come, and a number of the western provinces are the same, the telephone service has never been a private enterprise concern. Telephone communication is considered a public service. We have a government telephone service, in my opinion the best service in Canada. I might say that the profit motive is not the only thing involved there. I think the province of Saskatchewan is the only one where local telephone calls through pay telephones still only cost a nickle. Every place else it is 10 cents.

There is another field I should like to look into here. To what extent are the rights of a province respecting communications within its boundaries protected? Can we guarantee that each province that wishes to maintain control of its own communications will be

protected and that it will not be affected adversely by agreement or otherwise or through lack of service because it did not wish to pay a toll to this giant corporation for communications throughout the province? Surely the province has certain rights, and I hope they will be protected. I hope that when the bill goes to the committee the members who will investigate the company and ask questions will make very sure that the rights of the provinces are not interfered with in any way.

The provincial governments are watching the situation very carefully. I know that my own province of Saskatchewan has made arrangements for the use of the microwave system. They are using the microwave facilities and are connected with the long distance services of other communication systems across the dominion by means of arrangements and agreements. I want to see that these things are maintained and that nothing harmful will be done in the future.

I do not wish to frown on private enterprise where it is providing a service but I do frown on private enterprise when it becomes a monopoly. I do not think the actions of this or any other government or anything that we do in this house should in any way lead to the establishment of a monopoly in a public service, something which is essential to civilization as we know it. With these safeguards, I would be glad to see this bill passed, go to the committee and when it comes back it will have our blessing. Without these assurances, Mr. Speaker, I can assure you that I and others in this group will oppose it.

Mr. Speaker: May I inform the house that if the hon. member speaks now he will close the debate.

Mr. Daniel McIvor (Fort William): I should like to ask the hon. member to answer a question when he speaks. We in Fort William were disappointed when telephone rates were increased. We sent in a petition, but I do not know that we got very far with it. I was just wondering, if this bill is passed, does that mean rates will be reduced or increased or will we have any say about it? I must say, Mr. Speaker, that I believe the telephone is one thing that should be publicly owned and the profits should go to the common people. I hope to have an answer to these questions.

Mr. C. E. Rea (Spadina): Mr. Speaker, in answer to the hon. member for Fort William (Mr. McIvor) I may say that this bill has nothing to do with increases in rates at all. It only has to do with an increase in the capital stock of the Bell Telephone Company.

The hon. member for Yorkton (Mr. Castleden) talked about the lack of control. May I remind him that this company is under the jurisdiction and control of the board of transport commissioners. This board has very wide powers. They can, from time to time, as the occasion may arise, review, rescind, change, alter or vary their own decisions. They have power and jurisdiction over all requirements under the company's special act; any agreements the company enters into; to make inquiries into the company's operations; to inspect the company's work; to regulate the construction of the company's work when matters of public safety are involved, for example as at railway crossings. The board can order the company to make repairs; they regulate the company's tolls and tariffs.

The board of transport commissioners regulates the company's rates; regulates joint tariffs. They have jurisdiction over the publication of tariffs; over contracts to limit liability; over construction of lines upon or across highways; over construction of lines across other lines; over construction of the company's lines with the lines of other systems; over all contracts the company makes with other telephone systems and subscribers. They have the right to inquire into any contract whatsoever into which the company may enter. Also, as I mentioned before, the Bell Telephone Company shall not have the power to make any issue, sale or other disposition of its capital stock without first obtaining the approval of the Board of Transport Commissioners for Canada of the amount, terms and conditions of such issue, sale or other disposition of such capital stock.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

INVESTORS TRUST COMPANY

Mr. Gordon Chown (Winnipeg South) moved the second reading of Bill No. 29, to incorporate Investors Trust Company.

He said: Mr. Speaker, this is a bill which will inaugurate a free enterprise which I think will be more palatable to my friends across the way in that it is concerned with selling the idea of savings to the people of Canada. This, of course, as they will agree, is of an anti-inflationary nature which accrues to the benefit of us all in a country of this nature. As our time is short, for the benefit of this house I shall read the history of the company sponsoring this bill, namely Investors Syndicate of Canada Limited.

Private Bills

The Investors Syndicate originated in the United States before the turn of the century. There was a Minnesota company called Investors Syndicate. It was owned by Investors Diversified Holding Company. That company in Minnesota started doing business in western Canada, under the firm name and style of Investors Syndicate of the United States. They started business in the twenties and they sold here in Canada the same form of investment contracts that they sold in the States. They are contracts where the purchaser names the term at the end of which he desires to provide for himself a lump sum of money, in consideration for which he can arrange either for part, or a stipulated payment, and they invest these moneys, generally in mortgages, and have done so very successfully. They are cash values and form a sinking fund.

In 1940 they decided that it would be better if they had a Canadian company, so they obtained a special act in Manitoba in 1940 incorporating Investors Syndicate Limited of Canada, being chapter 88 of the statutes of Manitoba, 1940. As pointed out previously, the Canadian company was still owned by the Investors Diversified Services Incorporated. They have over $1 million in assets now. They continued to sell investment contracts providing a stipulated sum at the end of a specified term.

The so-called Investors Mutual of Canada Limited was incorporated in 1948. It has assets of $150 million. Since 1950 it has become the largest mutual investors fund in Canada, even greater than the Canadian Investors Fund. The assets of Investors Syndicate are largely formed of mortgages, about 75 per cent, and the rest in bonds. The assets of Investors Mutual are all in bonds and stocks, with hundreds of millions of assets.

The third company was incorporated this year and was called the Investors Growth Fund Limited. The purpose of this new company was to have a separate mutual investment in which the assets would be invested solely in common stock.

As already mentioned, the Investors Syndicate consists of principally mortgages, a few bonds and even fewer stocks; the Investors Mutual consists of bonds and stocks, no mortgages; and the Investors Growth Fund consists of nothing but stocks, preferred and common.

In 1956 they concluded, with the growth of their business in Canada, that it would be better still if it were controlled in Canada rather than still controlled by the holding company in the United States, namely Investors Diversified Services Incorporated. In 1956 they issued additional stock in Investors Syndicate of Canada and they increased it to the same number of shares as the holding company had outstanding and then they issued these shares to the individual shareholders in the United States and Canada.

The ownership of Investors Syndicate of Canada was transferred from the holding company in the United States to the individuals in the United States and Canada of which there were many. Many of the individuals in the United States in turn sold their shares to Canadians, with the result that many of the shares are now controlled and owned, to the extent of 75 per cent to 80 per cent, by Canadians.

Why do they want the trust company now? They do not intend to engage in most of the usual fields of trust companies. They do not intend to administer estates. They do not intend to look after cash deposits or trust funds. Their reasons for wanting a trust company are: One, to enable the trust company to manage a group pension plan for employers who desire to run their own plans rather than to place them with insurance companies; two, to take full advantage of the amendment to the Income Tax Act under section 79 (b), both for employers and self-employed.

Their form of investment is mostly mortgage. They want to be in a position to compete with other trust companies. It is correct to say that the trust company is not seeking any special powers but only powers comparable with the trust companies in the pension field. As they wish to look after personal investments, they must be a trust company under Dominion statute.

Under clause 5, the company shall not commence business until at least $1 million of its capital has been subscribed to and paid for. Under clause 6, the company acquires the same powers as any company under the Trust Company Model Act. Therefore by this act they can go into other trust company fields in estates or deposits, if they so desire, at a future date.

To sum up, Mr. Speaker, the sponsoring company, namely Investors Syndicate Canada Limited, is now 75 per cent to 80 per cent Canadian owned. The objects of Investors Syndicate and its existing subsidiaries, Investors Mutual Limited and the Investors Growth Fund Limited, are to encourage Canadians to save something which of itself is an anti-inflationary objective. Now they want to incorporate this company to be known as Investors Trust Company so that they can operate in another aspect of the field which has as its objective plans for saving money.

It is my privilege to know the president of Investors Syndicate and many of the other

officers of this company and of its existing subsidiaries. They are all of the highest integrity and greatly respected by their friends and their competitors across the nation. For this reason I have no hesitation in asking this house to assent to the second reading of this bill.

Motion agreed to and bill read the second time.

Mr. Speaker: Pursuant to standing order 105, this bill now stands referred to the banking and commerce committee.

INDUSTRIAL RELATIONS

PROVISION OF ANNUAL VACATIONS WITH PAY FOR EMPLOYEES

The house resumed, from Tuesday, October 29, consideration of the motion of Mr. Knowles (Winnipeg North Centre) for the second reading of Bill No. 2, to provide for annual vacations with pay for employees.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, this bill was debated at some length earlier in the session and we were having quite a bit of debate on topics related to it. I think that certainly the provision in the bill for two weeks' vacation with pay after one year of employment, as introduced by the hon. member for Winnipeg North Centre (Mr. Knowles) is one that this house could very well support. While I do not want to duplicate the debate which has already taken place on this subject, I nevertheless felt that I wanted specifically to express in a few words my support of the bill which was introduced or re-introduced again this year by the hon. member for Winnipeg North Centre.

Some hon. Members: Question.

Mr. Robinson: Mr. Speaker, I should like to call it six o'clock.

Some hon. Members: No.

Mr. Speaker: Has the hon. member leave to call it six o'clock?

Some hon. Members: No.

Mr. Green: Mr. Speaker, I move the adjournment of the debate.

On motion of Mr. Green the debate was adjourned.

An hon. Member: Six o'clock.

Mr. Speaker: Did I hear someone say that it is six o'clock?

Some hon. Members: Six o'clock.

Mr. Speaker: By leave of the house I will call it six o'clock, and the house stands adjourned until Monday. But first there is the business of the house to be announced.

BUSINESS OF THE HOUSE

Mr. Martin (Essex East): I believe the business of the house was announced at five o'clock but it might be more convenient if it was announced again so that it would appear at the end of *Hansard* where members could see it readily. Before that is done, does the leader of the house not wish to give consideration to the plea made by the hon. member for Kent, Ontario, that, in view of the fact that we have already dealt with certain emergency legislation it is desirable in the public interest that we should proceed with the farm stabilization bill which concerns so many primary producers all over this country as well as in certain particular sections.

Mr. Green: I am afraid that the hon. member for Kent, Ontario, (Mr. Huffman) and the hon. member for Essex East (Mr. Martin) are just trying to get a little bit of publicity.

Mr. Martin (Essex East): Mr. Speaker, I ask my hon. friend to withdraw that remark. There are farmers in eastern Canada who require consideration at the hands of this government, and it does not do them any good to have made cheap observations like those just made by the acting leader of the government.

Mr. Green: In reply, Mr. Speaker, may I say that I am pleased to note that the hon. member for Essex East at long last is now interested in the farmers of eastern Canada.

Mr. Martin (Essex East): May I make it clear to my hon. friend that before he ever came into this house—

Mr. Speaker: Order. I think the odds are about even on that one and we might call it a draw. Does the minister have anything further to say?

Mr. Green: The business on Monday will be the throne speech debate.

At six o'clock the house adjourned, without question put, pursuant to standing 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:

BEEF IMPORTS FROM AUSTRALIA

Question No. 125—**Mr. Huffman:**

1. Is Australian beef coming into Canada?
2. If so, what were the amounts for each month to date for 1957?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1. Yes.

2. Imports of beef from Australia January to July, 1957 (latest available):

Item	Month	Quantity	Value
		lb.	$
Beef and veal, fresh (Item 2251)	January	—	—
	February	—	—
	March	—	—
	April	24,097	4,081
	May	41,815	5,801
	June	7,671	1,478
	July	527	606
Extracts of meat and fluid beef, not medicated (Item 2265)	January	37,184	51,754
	February	5,488	7,979
	March	—	—
	April	1,904	2,768
	May	11,284	10,567
	June	—	—
	July	—	—
Beef, canned, n.o.p. (Item 2273)	January	96,765	19,355
	February	109,004	23,515
	March	113,121	38,526
	April	18,000	5,516
	May	129,308	29,676
	June	111,636	32,347
	July	209,592	47,559
Corned beef, canned (Item 2274)	January	437,562	153,221
	February	208,310	71,462
	March	61,920	18,250
	April	140,400	45,034
	May	224,441	63,123
	June	249,100	78,198
	July	489,104	156,168

INCOME TAX DEDUCTIONS, WOODS AND CONSTRUCTION EMPLOYEES

Question No. 127—**Mr. Fisher:**

1. Have any officials of the government made any studies and/or reports on the application and the possible effects of the extension of the expense deductions given to transport employees under subsection 7, section 11 of the Income Tax Act, to workers in either the woods or construction industry or both?

2. If so, in what years were they made and what are the names of the officials?

Answer by: **Hon. Donald M. Fleming (Minister of Finance):**

1. Yes.

2. It is not the policy of the government to disclose the names of officials making reports to it.

HOUSE OF COMMONS

Monday, November 11, 1957

The house met at 2.30 p.m.

UNITED NATIONS

FAO—ATTITUDE OF CANADIAN DELEGATION TOWARD INCREASE IN BUDGET

On the orders of the day:

Right Hon. J. G. Gardiner (Melville): Mr. Speaker, in the first place I should like to welcome back from the FAO conference the Minister of Agriculture who is now in his seat—

Some hon. Members: Hear, hear.

Mr. Gardiner: —and I would like to ask him this question.

Some hon. Members: Oh, oh.

Mr. Gardiner: Did the Canadian delegation to the FAO conference support an increase of one-third in the FAO budget for the coming year? If not, why not?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I should like to thank the hon. member for Melville for his kind welcome back to the house. In regard to his question, the subject did not come up whilst I was there. The discussion of the budget for FAO, as I think the right hon. gentleman knows, actually takes place in one of the commissions which were to begin their meetings today. Therefore there was no discussion on that particular subject while I was in attendance.

[Later]

Mr. W. A. Tucker (Rosthern): May I ask a supplementary question to that asked by the hon. member for Melville. Is the minister prepared to tell the house what is the attitude of the government toward the budget of FAO, or what instructions have been given by the government to our delegation to the meeting of that organization?

Mr. Harkness: No, Mr. Speaker, I am not prepared to do that at this time.

[Later]

Mr. Tucker: I should like to ask the Minister of Agriculture another supplementary question. Did he not take some position with regard to the budget of FAO when he spoke at the conference of that organization which he attended?

Mr. Harkness: Mr. Speaker, what I did in speaking at FAO was to indicate what I thought and think is the necessity of FAO funds being spent in the places and in the ways in which they are most urgently required and can do the most good. It seemed to me that some of the proposals in the budget submitted by the director general were not proposals which would accomplish that purpose.

CANADIAN NATIONAL STEAMSHIPS

REPORTED TRANSFER OF EIGHT VESSELS TO FOREIGN REGISTRY

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I ask the Minister of Transport this question. Is it a fact that the Canadian National Steamships have taken a decision to transfer eight of their vessels on the West Indies run to foreign registry, and will the government permit the transfer of these ships from Canadian to Trinidad registry?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I wish to thank the hon. member for his courtesy in giving me notice of his intention to ask this question. I had intended to make a statement on this important subject, and my statement will cover the answer to his questions.

Mr. Speaker, subsidized steamship service between Canada and the West Indies dates from 1892. The service has been operated under different conditions at different times, but since 1928 it has been performed by the Canadian National (West Indies) Steamships, Limited, a company incorporated for the purpose of carrying out Canada's part of the 1926 West Indies trade agreement.

In 1952 the Canadian government gave notice that it intended to withdraw two of the passenger boats from the service. As the remaining three motor ships and the five steamers could not meet the requirements of the agreement, the various West Indies governments withdrew their subsidies, and since then the service has not been bound by trade agreement requirements.

The service has had a long record of operating deficits. Only the years 1941 to 1948 resulted in any profit. Subsidies granted by the government of Canada approximated $6 million between 1892 and 1927, and since 1927 the government has assumed operating

deficits totalling an additional $7 million. As hon. members will recall, it was because of this situation that the operations of the company were carefully studied by an interdepartmental committee in 1955.

Having regard to the fact that Canada's trade with the colonies amounted to $34 million exports and $35.5 million imports; that the company's management was making a creditable effort to develop additional traffic; that a recapitalization, whereby the government took equity stock in exchange for bonds, would reduce fixed charges by $260,000 per year; and that the long-term prospects of service indicated the possible attainment of a break-even financial position, the then government decided on continuance of the service for a period of five years, after which time the results would be reviewed to see if further continuation was justified.

It is against this background that I wish to refer to recent wage demands made upon the company. On September 10, 1956, the seafarers' international union, which is the bargaining agent for the 220 unlicensed personnel employed on the eight vessels, submitted demands for basic wage increases averaging 50 per cent; an increase in overtime rates; a reduction in hours of work at sea from 48 to 40 hours per week; payment for two additional statutory holidays; the establishment of a health and welfare plan, and other items. These demands, if granted, would mean a total increase of 80 per cent in payroll costs, or $450,000 per year, almost all of which would have to be borne by the taxpayers.

The company made a counter-proposal offering an 8 per cent increase in basic wages; an increase of 25 cents per hour in overtime rates; payment for one additional statutory holiday; an additional payment of 10 cents per working day to each employee in lieu of a health and welfare plan; and certain other concessions, all conditional upon a two-year agreement. This offer was rejected by the union.

On September 27, 1956, the then minister of labour appointed a conciliation officer, but his efforts failed to effect a settlement.

On December 28 a conciliation board was established and hearings commenced on January 7, 1957. The union again proposed its original demands. After lengthy deliberation the majority report of the board recommended, *inter alia*, a 10 per cent increase in wages; an increase of 30 cents per hour in overtime rates; 10 cents per day in lieu of a health and welfare plan, and a two-year agreement. The company accepted the conciliation board's report but it was rejected by the union, and the men were called out on strike on July 4.

[Mr. Hees.]

Various attempts to settle the strike, including personal intervention by the present Minister of Labour, produced no results during the summer and early autumn. In an effort to terminate the strike the company proposed a further meeting with the union. This meeting was held on October 15 in line with the settlement recently reached on Canadian National coastal services in Newfoundland. The company offered the union a 15 per cent wage increase; a 15 per cent increase in overtime rates and a two-year agreement from date of signing, together with other items recommended by the board of conciliation. Notwithstanding that the company offered the union an increase in wages 50 per cent greater than that recommended in the conciliation board's majority report, the union found the offer unacceptable and the company was obliged to withdraw it.

As of last Thursday the strike had been going on for 127 days; and has already cost close to half a million dollars. With winter rapidly approaching and consequently serious implications for the ships immobilized in Montreal harbour, it became absolutely imperative that a final effort be made to settle the strike immediately. Therefore on Thursday the company sent a telegram to the union offering to effect a settlement on the basis of the October 15 proposal and advising that this offer would be left open until twelve o'clock noon on Saturday, November 9. In view of the element of urgency attending the situation the company advised the union that, failing notification that an agreement to this effect would be signed, the management would have no alternative but to transfer the registry of the vessels from Canada.

I sincerely regret that the union did not see fit to accept the company's offer, an offer which I would remind hon. members went considerably beyond the recommendations of the board of conciliation.

On Saturday the company took steps to initiate transfer of the ships from Canadian registry to registry in Trinidad. It is the opinion of the government that under present circumstances, and having regard to Canada's desire to aid and assist the proposed federation of the West Indies, the service can best be administered under this arrangement. I may say that very earnest and careful consideration has been given to all possible alternatives to actual transfer, but they raise such serious disadvantages of one kind or another as to render them unacceptable to the government. At the same time the government was reluctant, in the interests of Canada-West Indies trade and relations, to permit outright abandonment of the service.

With respect to any suggestion that increased costs could be assumed by the government, I might remind hon. members that over the years the government has borne a substantial share of the costs of this service, and was prepared to assume the additional cost which would have resulted if the union had agreed to settlement on the basis of the company's final offer. Even this offer, according to the company estimates, would have resulted in an increase in operating costs approaching $200,000 and a return to a deficit operation which would be in the neighbourhood of $200,000, to be borne by the taxpayers. Beyond this we were not prepared to go, in view of the record I have mentioned and our belief that we would not be justified in placing the burden of heavier operating losses on the Canadian taxpayers.

I fully realize that with the transfer of these eight vessels to registry in Trinidad there will remain on Canadian deep sea registry only ten cargo ships and eight tankers. These remaining vessels, I should point out, are mostly engaged for a large part of the year in our coasting trade or are operated by subsidiaries of industrial firms whose business provides them with captive cargoes. In either case they are less affected by foreign flag competition.

This transfer is only one of a long series of sales and transfers of Canadian-owned shipping to foreign registry. Since war's end companies with ships on Canadian registry have found it increasingly difficult to operate their vessels profitably in competition with low-cost foreign carriers. This is understandable when one realizes that the daily operating cost of a 10,000-ton cargo vessel on Canadian registry exceeds that of a similar vessel on foreign registry by at least 50 per cent; and if one takes into account the cost of building the vessel in Canada the difference exceeds 60 per cent. An estimate of the operating cost, excluding fuel, is that it costs $100,000 more per year to operate on Canadian registry than on United Kingdom registry. These adverse cost differentials do not take into account any tax or other benefits which foreign registry often provides.

In these circumstances the problem of maintaining and encouraging Canadian shipping and shipbuilding industries presents a number of serious difficulties. Both industries are severely handicapped in normal times by having to bear a level of costs which is probably the second highest in the world. By offering a measure of tax relief the Canadian Vessel Construction Assistance Act has gone some way toward stimulating ship construction in Canadian yards. A bill to amend the act, now being considered by parliament, would add further to the benefits already provided.

It is evident, however, that on the ship operating side an unfavourable cost differential hinders the Canadian operator who must compete in the world market for the carriage of international trade. Measures of assistance which may be proposed must, of course, be considered in relation to the costs to the taxpayer and the effect on our trade relationships. The royal commission on the coasting trade is expected to present its report within the next few months, and at that time it will be appropriate to determine whether or not any change in policy might be desirable not only in respect to coastal shipping but also deep sea shipping.

Mr. Chevrier: May I ask a supplementary question. May I thank the minister for the very comprehensive report he has given, and I take it that the answer to the two questions is in the affirmative?

Mr. Hees: The hon. member is correct.

Mr. Chevrier: May I ask this question. Does this mean that Trinidad citizens will from now on form the crew and personnel of these eight ships, which I take it would be some 400 or 500 people?

Mr. Hees: No, Mr. Speaker. The unlicensed personnel, amounting to about 220, will be recruited from Trinidad and the office personnel will remain Canadian.

Hon. George C. Marler (St. Antoine-Westmount): May I ask a supplementary question. Is it not a very clear implication, from the decision which the government appears to have made, that it is a very discouraging decision for those who are arguing for the establishment of a merchant marine in Canada?

Mr. Hees: I think it is obvious to all hon. members that those who are arguing for a Canadian merchant marine are no more discouraged today than they have been for the last 10 or 12 years under the previous government.

Mr. Pickersgill: Are they any less discouraged?

[*Later:*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. Was the minister consulted in any way with reference to the transfer by Canadian National Steamships of the registry of its ships to Trinidad? Could he say whether he gave his approval to this course as a way of dealing with or getting away from a labour dispute?

Inquiries of the Ministry

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the Minister of Labour, as such, as an individual, was not consulted personally in that respect.

NATIONAL REVENUE

INQUIRY AS TO CHANGE OF POLICY IN BOOK CENSORSHIP

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to ask a question of the Minister of National Revenue. I am sure, because of his interest in literary excellence, he will appreciate the question. Would the minister inform the house if, since he has assumed the mantle of censor in chief of books entering Canada, he has changed the conservative and incomprehensible censorship procedures used by his predecessor?

Hon. G. C. Nowlan (Minister of National Revenue): Mr. Speaker, I appreciate the courtesy of the hon. member in having some time this morning, apparently, dropped notice of his question in the mail box, which I found when I came up to the house this afternoon. Unfortunately there is a conflict in the terms of this question which makes it incomprehensible to me and therefore impossible to answer. The question asks, referring to myself, "has he changed the conservative and incomprehensible censorship procedures...". Mr. Speaker, if they were Conservative they would not be incomprehensible. If they were incomprehensible, they would not be Conservative. Therefore until the hon. gentleman resolves that problem there is nothing I can say in answer to this question, except that I have donned no mantle whatever.

Mr. Pickersgill: The emperor's new clothes.

BUSINESS OF THE HOUSE

INQUIRY AS TO FORTHCOMING LEGISLATION CONCERNING MARITIME PROVINCES

On the orders of the day:

Mr. H. J. Murphy (Westmorland): Will the Prime Minister give to the house the legislative program for this session that will more particularly be for the purpose of instituting a new deal for the maritime provinces?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, in general there has been an outline in the speech from the throne, and my hon. friend will have to wait in anticipation of the introduction of those measures which will be brought before the house during the course of this session.

[Mr. Knowles (Winnipeg North Centre).]

HEALTH INSURANCE

REQUEST FOR CLARIFICATION OF STATEMENT BY MINISTER ON NOVEMBER 7

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. I wonder if the minister would clear up the confusion that I think was created by the answer he gave last Thursday to the hon. member for St. Boniface regarding the hospital insurance act. Is it necessary that six provinces have their plans in actual operation before money can be paid to any one province, or is it not the case that it is only necessary for those provinces to have their legislation in force? If that is the situation, would it not still be possible to have federal money made available to some of the provinces which have their plans in operation by July 1 of next year?

Hon. J. W. Monteith (Minister of National Health and Welfare): I think possibly the only answer to that is the interpretation of "in force".

Mr. Knowles (Winnipeg North Centre): Would the minister not make clear what he understands by the words "in force"?

Mr. Monteith: Yes. My understanding as of the moment is that "in force" is implied to mean in operation. Whether or not that is a correct legal opinion, that is what I am given to understand as the implication.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I ask a further supplementary question. In view of the fact that that is not the interpretation that was given to the last house by the former minister of national health and welfare, would the minister have appropriate inquiries made as to what is the legal meaning of those words?

Mr. Monteith: Mr. Speaker, in my studies at the moment concerning the act I have every intention of doing that.

DOMINION-PROVINCIAL CONFERENCE—ALLEGED INCONSISTENCY IN STATEMENTS

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I wonder if I could ask the Minister of National Health and Welfare if he is yet in a position to indicate whether or not there is to be a conference between the provinces on the one hand and the federal government on the other with regard to hospital insurance. At the same time my hon. friend possibly might clear up the inconsistency in the correspondence between the Prime Minister of Canada and the provincial ministers. In

one letter he says that hospital insurance will not be discussed and in a letter to the premier of Manitoba dated October 29 he says hospital insurance may be discussed at the dominion-provincial conference on November 25.

Hon. J. W. Monteith (Minister of National Health and Welfare): Well, Mr. Speaker, the answer to the hon. gentleman's first question is no. I do not think there is any inconsistency, as he has suggested, in that I believe I have said, and I think it has been agreed, that some aspects of health insurance could well be discussed at that time, or could be mentioned.

AGRICULTURE

NORTHERN ALBERTA—REQUEST FOR INVESTIGATION INTO HARVEST

On the orders of the day:

Mr. Solon E. Low (Peace River): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. In view of the widespread and almost tragic circumstances surrounding the grain grass and seed harvest in northern Alberta, will the minister launch an immediate and thorough investigation in order to determine the facts of the situation and what might be done in co-operation with the government of Alberta to alleviate what is likely to be intensive distress and suffering amongst the people this winter if effective help is not forthcoming?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I have asked the P.F.A.A. officers who operate in the northern part of Alberta to give me a report on the situation which exists there and what possibility, if any, exists with regard to harvesting any of the present crop either now or in the spring. Following receipt of that information I think we shall be in a better position to assess the situation.

CHEESE—REPORTED ESTABLISHMENT OF NEW FEDERAL SUPPORT PRICE

On the orders of the day:

Mr. A. P. Lavigne (Stormont): I should like to direct a question to the Minister of Agriculture. Is the press report that the federal government may grant price support on cheese at 30 cents or 31 cents a pound government policy?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I have not seen the press report, but in any event I think the hon. member knows that press reports do not constitute government policy.

[*Later:*]

Mr. Lavigne: I should like to direct a question to the Prime Minister. Will the Prime Minister take immediate steps to raise the price support on cheese to 34 cents a pound as soon as the provincial government stops its support?

Mr. Speaker: Order. It seem to me that a question with respect to price support on cheese has already been asked. I suggest if the hon. member has a further question of that type—

Mr. Lavigne: On a question of privilege, I submit that the answer I received from the minister was not very good.

Mr. Nowlan: Neither was the question.

Mr. Speaker: That may be, but the hon. member has to take his chance on what answer he will receive. This does not entitle him to ask the same question twice.

INDUSTRY

ST. LAWRENCE RIVER—REPORTED PROMISE TO SUBSIDIZE CONSTRUCTION OF SMELTER

On the orders of the day:

Mr. Wilfrid LaCroix (Quebec-Montmorency): Mr. Speaker, may I direct a question to the Prime Minister. In view of the declaration made by the Prime Minister before the chamber of commerce of Montreal on February 19, 1957, my question is this. Is it true that the government has decided to subsidize the construction of a smelter along the St. Lawrence river for the processing of domestic iron ore into steel, as a way to stimulate employment in Quebec?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I do not know the report to which my hon. friend is making reference, but I have never heard that action suggested at any time.

Mr. LaCroix: May I ask a supplementary question. Did the Prime Minister promise that action at a meeting of the chamber of commerce of Montreal on February 19, 1957?

Mr. Diefenbaker: Mr. Speaker, the Prime Minister did not.

[*Later:*]

Mr. LaCroix: I should like to direct a question to the Prime Minister in connection with a question I asked a moment ago. My question is, would he comment on the following declaration made at the chamber of commerce of Montreal on February 19, 1957, which is as follows:

Every encouragement must be given to the processing of domestic raw materials—

Some hon. Members: Question.

Mr. LaCroix: Well, that is what I am asking. I am asking for his comments.

Mr. Speaker: Order. I am not clear as to what the hon. member proposes reading.

Mr. LaCroix: The hon. member seems to be very excited.

Mr. Harkness: Sit down, the Speaker is on his feet.

Mr. Speaker: I am sorry, but I did not hear the preliminary to the hon. member's question. Would he inform me what he proposes to read?

Mr. LaCroix: My question, Mr. Speaker, is directed to the Prime Minister. I want his comment on this declaration made at the Montreal chamber of commerce, on February 19, 1957.

Mr. Speaker: I am sorry to inform the hon. member that it is not in order to read a statement and ask for comments on it. If the hon. member has a question to ask of the Prime Minister, would he please ask his question.

Mr. LaCroix: I am asking for the comment of the Prime Minister in connection with a promise made.

INQUIRY AS TO DECENTRALIZATION AND DEVELOPMENT

On the orders of the day:

Mr. F. C. Christian (Okanagan Boundary): I should like to direct a question to the Minister of Trade and Commerce. What action has been taken by the government to encourage decentralization of industry within Canada and to encourage industrial development?

Hon. Gordon Churchill (Minister of Trade and Commerce): Perhaps this is a question that could have been placed on the order paper. The matter is under consideration, but I have no action to announce at the present time.

SHIPPING

REPORTED ABANDONMENT OF CHARTING OF ARCTIC WATERS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Prime Minister. Has the attention of the Prime Minister been drawn to press reports that the government is abandoning its traditional role of exploring and charting the Arctic waters by withdrawing H.M.C.S. *Labrador* from this work, and that this is being done in the interests of economy? Will the Prime Minister tell this house if this is correct? If so, does he believe it is a realistic economy?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr Speaker, I would suggest that the Minister of Transport might answer that question.

An hon. Member: Pass the buck.

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I must admit that I was caught napping. I was reading another answer that I expect to be giving in a moment or so. I would greatly appreciate it if the hon. member would repeat his question.

Mr. Winch: I shall be glad to do that, Mr. Speaker. May I readdress my question to the Minister of Transport. Has the attention of the Minister of Transport been drawn to press reports that the government is abandoning its traditional role of exploring and charting the Arctic waters by withdrawing H.M.C.S. *Labrador* from this work, it being transferred to the department of the Minister of Transport for use as an icebreaker, and that the same is being done in the interests of economy? Will the Minister of Transport say if this is correct? If so, does he believe that such withdrawal in connection with our work in the Arctic is a realistic economy?

Mr. Hees: Mr. Speaker, the transfer of the *Labrador* to the Department of Transport is an economy measure, whereby it can be put to more useful work in the winter as an icebreaker. However, it is not our intention that the useful work to which the *Labrador* has been put in the summer shall be decreased. I am very glad to say it is our intention that that valuable work shall be continued.

COASTAL TRADE—INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I should like to address a question to the Minister of Transport arising out of his earlier reference to the report on the royal commission on coastal shipping. Can the minister explain to the house why the publication date of this report seems to have remained at a fixed but moving point several months ahead during the last year? Could the minister find a pair of seven league boots and attempt to catch up with this elusive report?

Hon. George H. Hees (Minister of Transport): I am just as anxious as the hon. member is to see the report, but I cannot see it until it is presented to me and to the government.

INQUIRY AS TO GROUNDING OF C.G.S. "BAFFIN" AT BLACK ROCK

On the orders of the day:

Mr. R. J. McCleave (Halifax): Mr. Speaker, I have a question for the Minister of Mines and Technical Surveys, of which I have given him notice. What were the circumstances leading up to the grounding of the Canadian government ship *Baffin* at Black rock, Nova Scotia, on July 4 last? Was an inquiry held into this grounding, and if so by whom and what were the findings?

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, I thank the hon. member for Halifax for giving me notice of his question.

Answering part one of the questions: On July 4 last the C.G.S. *Baffin* was engaged in marine survey work off the Nova Scotia coast in the vicinity of cape LaHave, about 50 miles west of Halifax. At about 4.30 in the afternoon the ship grounded on Black rock, which is located one mile off cape LaHave.

On normal offshore sounding operations a survey ship runs lines of soundings at right angles to the coast. Thus, a survey ship in the course of its work stands into a danger area at the inshore end of each sounding line. Survey personnel and officers naturally become accustomed to such an operation. In comparison, commercial shipping in the coastal trade travels well offshore, picking up the fairway buoys marking the desired harbour entrances or passing through safe channels marked by buoys and ranges.

Prior to the grounding, new equipment aboard the *Baffin* was being used to determine the position of the ship, which was conducting sounding operations in foggy weather. Similar equipment had been fitted and used in 1955 and 1956 on one of the other ships, the *Kapuskasing,* with exceptionally accurate results, and it was the normal practice with the *Kapuskasing* to sound in foggy weather. Some of the same personnel who were trained on the *Kapuskasing* were using the *Baffin* equipment and were confident that equally accurate positions were being secured for that ship's position, whereas such was not the case. This of course was not discovered until too late.

Answering the second and third parts of the question asked by the hon. member, I may say that at the request of the then acting minister, the hon. member for Three Rivers (Mr. Balcer), the department requested the services of the Department of Transport for the holding of an inquiry. The inquiry was held and the report brought out the fact that the grounding was due to a combination of circumstances but not to any negligence on the part of the hydrographers or the officers navigating the ship. No punitive action, therefore, was taken with regard to any of the personnel who were in charge of the ship and operations. Captain Snelgrove, in charge of navigating the ship, has had more than 30 years' experience as a navigating officer in our hydrographic service. Mr. Goodwill, who was our chief hydrographer aboard, was also a man of experience, having been in charge of hydrographic operations at sea since 1939.

May I add that the Canadian hydrographic service was first organized in 1883 and has grown so that this service now maintains and operates four ships on the Atlantic coast and three ships on the Pacific coast. Two ships are chartered during the summer season for Arctic surveys. Considering the type of work in which these ships are engaged their record has been extremely good.

UNION STEAMSHIP LINES, B.C.— SUBVENTION PAYMENTS

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I should like to direct a question to the Minister of Transport, of which I did not send him notice. On October 21, in reply to a question by me, he indicated that the coastal shipping subsidy to Union Steamship Lines in British Columbia was under consideration and review. I am now asking him whether the review has been completed and, if so, what action the government intends to take.

Hon. George H. Hees (Minister of Transport): The answer is the review has not yet been completed.

TRADE

COMMUNIST CHINA-RUSSIA—LISTS OF PROHIBITED GOODS

On the orders of the day:

Hon. L. B. Pearson (Algoma East): Mr. Speaker, I would like to address a question to the Minister of Trade and Commerce. In view of the departure of the trade mission for communist China, has the minister taken any action to remove the differential between the list of goods prohibited for sale to China and that for the Soviet union, as has already been done by the United Kingdom and other members of NATO?

Inquiries of the Ministry

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, the answer to that question is no.

Mr. J. A. Byrne (Kootenay East): May I ask a supplementary question of the Minister of Trade and Commerce. In view of the fact that a large copper mine in British Columbia is being forced to close, would the minister consider copper as one of the articles of trade which the mission might discuss while in China?

Mr. Churchill: I will take that suggestion under consideration, Mr. Speaker.

PITWOOD—PRESENT EXPORT SITUATION IN MARITIMES

On the orders of the day:

Mr. G. R. McWilliam (Northumberland-Miramichi): I should like to direct a question to the Minister of Trade and Commerce. Can the minister advise the house as to the present situation with regard to export shipments of pitwood from the maritime provinces to overseas markets? Will the minister consider including a representative of the maritime pitwood industry as a member of the trade delegation which will visit Great Britain shortly?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I am unable to answer in detail the first question with regard to pitwood or pit props. A very great effort has been made to get back into the United Kingdom market. I have taken up the matter myself, and it is being pursued vigorously. I will take the second question under advisement.

AUSTRALIA—REPORTED DECISION NOT TO IMPORT CANADIAN WHEAT

On the orders of the day:

Mr. Louis Lewry (Moose Jaw-Lake Centre): I should like to direct a question to the Minister of Trade and Commerce. Would the minister care to comment on a statement by the Australian minister of primary industries that a plan to import Canadian wheat has been dropped because such a purchase would be a heavy drain on Australian dollar reserves? With our desperate need for increased wheat markets, can the minister say whether, in an endeavour to make this sale, Canada offered to accept sterling or to extend credit to Australia?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I do not think I should comment upon statements made by ministers of other governments in other countries. I have no knowledge of any suggested transaction such as that to which the hon. member refers.

[Mr. Pearson.]

REFERENCE TO REPORTED STATEMENT BY MR. EZRA BENSON

On the orders of the day:

Mr. Peter Stefura (Vegreville): I should like to direct a question to the Minister of Agriculture. In view of Mr. Ezra Benson's statements in Rome defending the increased United States efforts to expand marketing of their excess stocks, what are the Canadian government's plans to compete with the United States and to increase export markets?

Hon. D. S. Harkness (Minister of Agriculture): This question I think should, perhaps, more properly be addressed to the Minister of Trade and Commerce. So far as Mr. Benson's speech in Rome is concerned, I do not think the statements he made at that time were such that the hon. member or others should or could take undue alarm from them.

DISCUSSION OF IMPORTS AT LONDON CONFERENCE

On the orders of the day:

Mr. Peter Stefura (Vegreville): I should like to direct a question to the Minister of Trade and Commerce. Will the trade delegation the minister will be heading to the United Kingdom be discussing Canadian exports as well as imports?

Hon. Gordon Churchill (Minister of Trade and Commerce): I presume we will discuss a number of questions. The purpose of the mission is to place the emphasis on imports from the United Kingdom to Canada.

UNITED KINGDOM—SUGGESTED USE OF BARTER TO INCREASE TRADE

On the orders of the day:

Mr. W. M. Johnson (Kindersley): In view of the fact that barter is an effective means of increasing trade with the United Kingdom, is it the intention of the trade mission to investigate this possibility? If so, does it not appear desirable to include representation from the Canadian wheat board or the three western pools as well as the single representative from the interprovincial farm union council already selected?

Hon. Gordon Churchill (Minister of Trade and Commerce): I am not sure I heard all the hon. member's question. If he mentioned the word "barter", we have found no need to engage in that type of trade with the United Kingdom. With regard to the second half of his question in which he mentioned—was it the wheat board?

Mr. Johnson (Kindersley): The wheat board or the three western pools.

Mr. Churchill: It was in the month of September that, accompanied by representatives of the wheat board, I had the opportunity of visiting the United Kingdom and talking with representatives of the grain trade in London and Liverpool. Every effort was made on that occasion to stimulate the sale of Canadian wheat and other grains in the United Kingdom. The results of these talks and that visit are beginning to show now in the increased sales of our grain to the United Kingdom.

FINANCE

REQUEST FOR CONSIDERATION OF CHANGES IN TEXTILE ITEMS

On the orders of the day:

Mr. A. P. Lavigne (Stormont): Mr. Speaker, I would like to address a question to the Minister of Trade and Commerce. In view of a substantial recession in the textile industry, will the minister give consideration to changes in tariff items 523b, 553 and 523d?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, the hon. member for Stormont very kindly gave me notice of his question which I will refer to the Minister of Finance on his return.

AIRPORTS

QUEBEC CITY—ANNOUNCEMENT OF OPENING DATE

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, on Friday last the hon. member for Quebec-Montmorency (Mr. LaCroix) asked me if I could tell him when the new Quebec air terminal would be opened. I am glad to inform him and the house that we plan to open it on Saturday, December 7.

GANDER—STATEMENT ON HOSPITAL AND HOTEL ACCOMMODATION

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, on Friday last the hon. member for Grand Falls-White Bay-Labrador (Mr. Ashbourne), as reported at page 892 of *Hansard* of that date, asked the following question:

> What progress has been made in providing a new hospital at Gander, and also what facilities for hotel accommodation will be made available when the construction of the new terminal at Gander will have been completed?

The Department of Transport does not assume responsibility for the construction of hospitals at or in association with airports and in the case of the town of Gander, this would appear to be a matter for primary initiative by the provincial authorities. I am not aware of any recent approach from provincial sources. Similarly, the department does not assume responsibility for construction of hotels at or in association with airports, although a wartime surplus barracks is presently being operated as a hotel at Gander by a commercial firm under contract with the department. Any construction of a new hotel, however, it is hoped would be a matter for private initiative in the newly constructed town of Gander where land is available for this purpose.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I could ask the minister a supplementary question. Would he consult the files of his department, because I think he would find that the provincial government had approached his department about the question of the hospital.

HEALTH AND WELFARE

AIR POLLUTION—STATEMENT ON STEPS BEING TAKEN BY TRANSPORT BOARD

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, on Friday last the hon. member for Trinity (Mr. Haidasz) asked a question concerning air pollution by locomotives and ships; and while I think the hon. member's specific question may have been answered when I indicated that I would be glad to discuss the matter with my officials, the house might wish to be advised briefly as to the consideration that is being given to this problem.

The regulations of the board of transport commissioners in regard to air pollution are contained in general order No. 18, dated November 25, 1908. This regulation was made applicable to the province of Ontario only. However, complaints lodged with the board by individual municipalities in all sections of Canada in regard to smoke nuisance created by railway operations are investigated by members of the board's inspection staff, and appropriate corrective action is taken in each case.

In recent years the board has received requests to revise the regulation with the object of bringing it more in line with present day practice, and on November 17, 1955, a specific application was filed with the board by the city of Toronto to substitute a more restrictive order for general order No. 18. The board's technical officers were therefore directed to review the provisions of this regulation and draft a proposed order to replace general order No. 18. The board

also solicited the assistance of the atmospheric pollution service, Department of National Health and Welfare, and the wide experience of that branch in this field has been of great value to the board in its study of this matter.

Following consideration being given to the submissions of the city of Toronto, the report of the select committee of the Ontario legislation assembly, and other interested parties, a draft of the proposed general order was distributed to all concerned on July 17, 1957. The board is at present awaiting final submissions from certain of the interested parties, and on receipt of these submissions further consideration will be given to the matter, and it is expected that the revised regulations will be issued early in 1958.

HOUSING

N.H.A.—INQUIRY AS TO POLICY AT KITIMAT, B.C.

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I have a question I should like to direct to the Minister of Public Works. Is the minister aware that the previous long-term policy of the Aluminum Company of Canada at Kitimat in granting second mortgages to its employees who buy houses under the authority of N.H.A. has been or might be discontinued; and, if so, are any steps being taken to ensure that workmen there would be able to continue to buy homes on the same low down payment basis that existed in the past?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I should like to thank the hon. member for giving me notice of this question. I shall have to secure the information and let him have it at a later date.

HOUSE OF COMMONS

CAMPAIGN FUNDS—INQUIRY AS TO LEGISLATION

On the orders of the day:

Mr. A. B. Macdonald (Vancouver-Kingsway): Mr. Speaker, I should like to ask a question of the Prime Minister. In view of the statement made by the Prime Minister in Vancouver last May, is the government giving consideration to bringing in legislation making public the source of campaign funds?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the government is not.

[Mr. Hees.]

TRANS-CANADA AIR LINES

WINNIPEG—MAINTENANCE AND REPAIR FACILITIES

On the orders of the day:

Mr. Louis Deniset (St. Boniface): Mr. Speaker, I would like to direct a question to the Minister of Transport. Is the minister aware of the great concern aroused in Manitoba by the decision of Trans-Canada Air Lines to limit its Winnipeg maintenance operations to one type of aircraft, namely the Viscount? Would the minister be prepared to use his influence in changing the attitude of Trans-Canada Air Lines in this regard?

Hon. George H. Hees (Minister of Transport): Mr. Speaker I wish to thank the hon. member for his courtesy in advising me of his intention to ask this question. I would refer him to my answer to the question asked by the hon. member for Winnipeg North Centre (Mr. Knowles) on October 29 last, when I assured him that Trans-Canada Air Lines did not expect in any way to diminish repair and maintenance operations in Winnipeg. Therefore I do not think the employees of Trans-Canada Air Lines in Winnipeg need have any fears whatsoever.

Mr. Deniset: A supplementary question, Mr. Speaker. If I understood the minister correctly he said there is no intention of diminishing repair and maintenance operations in Winnipeg. Is there any possibility of having more employment in Winnipeg?

Mr. Hees: Well, Mr. Speaker, I am afraid I have not my crystal ball here at the moment.

Some hon. Members: Oh, oh.

Mr. Hees: We always hope there will be more employment, but I am not in a position to forecast.

Mr. Martin (Essex East): Let us look into that crystal ball together.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask a supplementary question in regard to this matter, but I should like to direct it to the Minister of Trade and Commerce. Is the Minister of Trade and Commerce aware of the dissatisfaction in Winnipeg, particularly in his own constituency, with the tenuous assurances given by the Minister of Transport concerning repair and maintenance work at Winnipeg by Trans-Canada Air Lines, and will he discuss the matter with the Minister of Transport and try to obtain a more satisfactory settlement of the situation?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I welcome the question from my neighbour in Winnipeg.

I am glad to see that he is back in the house. The hon. member can be well assured that anything which concerns Winnipeg or Manitoba concerns me. He can also rest assured that I have already discussed this question, and I think Winnipeg may be reassured that the Minister of Transport will do everything in his power to see that the work done at the airport in St. James is maintained and increased to the extent—

Mr. Chevrier: In the light of circumstances.

Mr. Churchill: —of the requirements and as a result of the constant increase in air traffic.

Mr. Knowles (Winnipeg North Centre): Will the minister tell us what that means?

Mr. Churchill: I was following the hon. member for Essex East (Mr. Martin). That is the type of answer he used to give.

Mr. Hees: Mr. Speaker, in my statement on October 29 I outlined to the hon. member that all servicing of DC-3's, North Stars and Viscounts would continue at Winnipeg; that the only additional servicing would be on the new Vanguards and the DC-8's, which will be received in three or four years' time by Trans-Canada Air Lines.

May I ask the hon. member whether he believes that these new aircraft—

Some hon. Members: Order.

Mr. Hees: I am asking him a question.

Mr. Speaker: Unless the hon. member has something on the order paper which makes him responsible for that subject I am afraid it is out of order to ask him a question.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Minister of Transport if I understood him correctly to say that it would be three or four years before the Vanguards were available. If that is true it is going to be very disappointing to Newfoundland.

Mr. Hees: Yes, it will be three or four years, in 1960 or perhaps 1961. We hope to get them in 1960.

Mr. Pickersgill: Is there no hope of getting a somewhat improved service in the meantime?

An hon. Member: What about your yacht?

Mr. Pickersgill: It is a schooner.

Mr. Hees: In answer to the hon. member's question, every endeavour is always being made to improve the service, but with respect to providing an advanced type of aircraft I can only say that they will not be ready until we can obtain delivery from the company from which they have been ordered.

NATIONAL DEFENCE

INQUIRY AS TO ENLARGEMENT OF ARMED FORCES

On the orders of the day:

Mr. F. C. Christian (Okanagan Boundary): Mr. Speaker, I should like to direct a question to the Minister of National Defence, of which I have given notice. In view of the present unemployment situation in Canada and of the increase in strength of the armed forces by approximately 2,332 persons since September, 1957, is it the intention of the government to continue to enlarge the armed forces of Canada?

Hon. G. R. Pearkes (Minister of National Defence): The brief answer to that, Mr. Speaker, is no; and the reason for that is that the manpower requirements of our armed forces are governed by our defence commitments. The relation between discharges and enlistments at the present time is very satisfactory, and I expect the same level will be maintained.

I cannot accept the figure given by the hon. member for the increase during September, since the statistics maintained in my department show an increase of only 1,074.

NATIONAL PARKS

STATEMENT AS TO REVISION OF REGULATIONS

On the orders of the day:

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): On Friday last when I was absent from the house the hon. member for Bow River (Mr. Johnston) made the following remarks:

> Some time ago I asked a question of the minister regarding revision of the National Parks Act and a particular question regarding Banff. The minister at that time indicated he did not have any information on the subject and if I would send him some he would be prepared to make a statement in the house. I supplied him with some information several days ago, but as yet I have not received an answer to my question. I wonder if the minister would now take this under consideration and be prepared to give an answer on Monday?

The hon. member's interpretation of what I said on November 4 in reply to his question is not accurate. At no time did I say I "did not have any information on the subject". What I did say was:

> I wonder if the hon. member for Bow River could give me more details as to the regulations he has in mind, and tell me particularly what water and sewer rates are unfair so I will know what to inquire into.

Inquiries of the Ministry

I have now reviewed the information my hon. friend sent me on November 5 and my answer is as follows. The original question was twofold. The hon. member asked:

Does the minister intend to revise the park act in order to rescind some of the impractical regulations in that act?

Mr. Chevrier: This is debate.

Mr. Hamilton (Qu'Appelle): I gather that the hon. member in his remarks in *Hansard* on April 27, 1956, on page 3379 and following was protesting mainly against the penalties and procedure section of the act. I challenge his use of the word "impractical" to describe a provision of an act—

Some hon. Members: Order.

Mr. Speaker: Order. I am sorry to interrupt the minister, but it seems that he is going beyond the answering of a question by challenging the member on a number of statements. If he would confine himself to the answer to the question to which he has referred I would allow him to proceed.

Mr. Hamilton (Qu'Appelle): I will give the answer the other way. The answer to the first question is that, in view of the facts I have given above, I would like some time to study the advisability of changing the custom of leaving the penalty to the discretion of the judiciary before I make any commitment about revising the act.

The second part of the hon. member's question dealt with water and sewer rates, and my answer to that is in all the circumstances I have yet to be shown that there is any unfairness that requires to be remedied.

ADMINISTRATION OF JUSTICE

NARCOTICS—DISCUSSION OF PROBLEM AND CONSIDERATION OF SENATE COMMITTEE REPORT

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of Justice. In view of the serious situation in Canada in narcotic addiction and trafficking, can the minister advise the house whether provision will be made for a discussion of the problem, and whether consideration will be given to the report of the special Senate committee on this matter?

Hon. E. D. Fulton (Minister of Justice): I thank the hon. member for sending me notice of his question a short time ago. As to whether provision will be made for discussion of the problem, that would require, of course, the consideration of the leader of the house for a special time to be set aside; but I would suggest to the hon. gentleman that adequate opportunity will be presented when the estimates of the Department of Justice are before the committee of supply. I shall be very glad indeed to see a full discussion take place at that time.

With regard to the second part of his question, as to whether provision will be made for consideration to be given to the report of the Senate committee, that report is being considered in my department and, I believe, in the Department of National Health and Welfare.

Mr. Martin (Essex East): Where it really belongs.

Mr. Fulton: And, of course, it can also be discussed when the estimates are before the committee. I should, of course, remind the hon. gentleman that this matter is of concern to the Department of National Health and Welfare as well as to the Department of Justice.

Mr. Martin (Essex East): Where it belongs.

Mr. Fulton: Also, as he knows, there are widely divergent views as to the opinion expressed by the Senate committee.

Hon. Paul Martin (Essex East): May I ask the Minister of National Health and Welfare to be very careful, otherwise the Minister of Justice may steal a very important function of his department.

Mr. Fulton: Mr. Speaker, may I answer that because the original question was directed to me, and assure the former minister that now that we have the present Minister of National Health and Welfare there is no danger of anyone stealing anything.

Mr. Winch: A supplementary question to the Minister of Justice. In view of his answer, is the minister now in a position to assure this house that estimates will come before us so the matter can be discussed?

Mr. Fulton: Mr. Speaker, I think the only answer I can give is I am prepared to discuss anything at the proper time, and I believe the estimates are the proper time, the estimates of either my department or the Department of National Health and Welfare, when these matters can be discussed to the fullest extent the hon. member wishes.

Mr. Winch: We are well into November and we have not discussed any of the estimates yet.

PRINCE RUPERT—REQUEST FOR STATEMENT RESPECTING ARMED BANDITS

On the orders of the day:

Mr. Frank Howard (Skeena): I have a question I should like to direct to the

Minister of Justice. Can the minister advise the house what progress is being made toward the apprehension of the armed bandit or bandits who accosted two women in Prince Rupert near the end of October?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, although I received notice of the hon. gentleman's question shortly before coming into the house, for which I thank him, the commissioner of the Royal Canadian Mounted Police has not yet been able to let me have a full report, but when it is forthcoming I will communicate it to the hon. gentleman.

EXTERNAL AFFAIRS

REPORTED STATEMENT BY MINISTER OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

On the orders of the day:

Mr. H. J. Murphy (Westmorland): Mr. Speaker, I should like to direct a question to the Prime Minister. Will the Prime Minister inform the house whether the Minister of Northern Affairs and National Resources was speaking for the government at Aylmer, Quebec, as reported in the Ottawa *Journal* of Friday, September 20, when he said:

I am tired of Great Britain dictating our destiny and the United States controlling it.

Would he care to comment further on this?

Right Hon. J. G. Diefenbaker (Prime Minister): I think the date mentioned was September 20, and that would rule the question out, anyway; but I am sure the report does not represent what was said.

BANK OF CANADA

INQUIRY AS TO REPORTED RETIREMENT OF GOVERNOR

On the orders of the day:

Mr. Louis Lewry (Moose Jaw-Lake Centre): Mr. Speaker, I should like to direct a question to the Prime Minister. Is the report correct which we have heard today, that the governor of the Bank of Canada has been retired?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have not heard that yet.

LIVESTOCK

REQUEST FOR ESTABLISHMENT OF FLOOR PRICES

On the orders of the day:

Mr. G. H. Castleden (Yorkton): I wish to direct a question to the Minister of Agriculture. In view of the disastrous drop in the price of livestock to the producer, will the minister give the house some assurance that it is the intention of the government to place floor prices under livestock immediately?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I think the hon. gentleman knows that pigs are under price support at the present time and, of course their market price has not yet reached the price support level. As far as the placing of any other livestock under price support is concerned, when that is decided upon it will be announced in the normal way as government policy.

Mr. E. G. McCullough (Moose Mountain): I should like to direct a question to the Minister of Trade and Commerce arising out of the answer of the Minister of Agriculture to the hon. member for Yorkton with regard to the serious drop in hog prices in western Canada. Would the Minister of Trade and Commerce now announce a new directive to western producers? I refer to the statement he made in Winnipeg suggesting to farmers that they go into livestock production, thereby using up a lot of surplus wheat.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I did not suggest to anyone in Winnipeg or anywhere else that the farmers of western Canada should go into livestock production. If the hon. member would get his facts straight perhaps I could answer his question.

Mr. H. R. Argue (Assiniboia): I should like to direct a supplementary question the Minister of Agriculture with reference to hog floor prices. Can the minister say whether the government has considered increasing the disastrously low floor price set by the former administration, so that further serious losses to hog producers may be averted?

Mr. Harkness: The level of support prices is under constant consideration by the Department of Agriculture, and when I think it necessary and desirable I draw the matter to the attention of the government as a whole.

Mr. Argue: It is also too late now.

ARTS, LETTERS AND SCIENCES

INQUIRY AS TO FEDERAL APPROPRIATIONS FOR RESEARCH

On the orders of the day:

Mr. Claude Ellis (Regina City): I should like to direct a question to the Prime Minister arising out of the answer he gave to questions asked on November 7 on this subject. In view of the Prime Minister's statement at a press conference following the Ontario Progressive Conservative convention, in which he is reported as having committed

himself to increased federal grants for scientific education and research, will the Prime Minister comment on that statement and give some indication of what action the government proposes to take this session in the form of special grants for Canadian universities or increased grants for scholarships in order to give effect to his promise?

Mr. Speaker: Order. May I remind the hon. member that this question has been asked several times this session and has been dealt with.

Mr. Ellis: Mr. Speaker, I referred to a specific statement made by the Prime Minister.

Some hon. Members: Order.

Mr. Ellis: The answer given to previous questions had no relationship to this specific commitment on the part of the Prime Minister.

Mr. Speaker: My recollection is that the questions were quite specific and related to grants for scientific education. It seems to me that the hon. member is repeating questions which have been dealt with.

PUBLIC WORKS

GATINEAU AND OTTAWA RIVERS—REQUEST FOR PROTECTION WALLS

On the orders of the day:

Mr. Alexis Caron (Hull): May I direct a question to the Minister of Public Works. A while ago I asked the minister if he intended to change his policy with regard to protection walls. His answer then was no, due to the fact that the bed of the river is the property of the provinces. Since then the provinces have refused—

Some hon. Members: Question.

Some hon. Members: Order.

Mr. Caron: Well, the matter has to be clarified so the minister can understand what I mean. The provinces refused on the ground that navigable waters are the responsibility of the federal government. Would the minister tell me if he intends to place this matter before the forthcoming federal-provincial conference in order to clarify who is responsible for these protection walls?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I am afraid the hon. member for Hull has misunderstood the answer I gave him formerly. I said that the dominion accepted responsibility for protecting shores where damage had been caused by navigation but not by erosion, and that had nothing to do with who owns the river bottoms.

IMMIGRATION

HAL BANKS—INQUIRY AS TO CITIZENSHIP STATUS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Is the Minister of Citizenship and Immigration now in a position to inform the house of the decision of his department on granting citizenship rights to Mr. Banks, the newly elected head of the seamen's union, a person convicted in the United States, and under whose direction fewer and fewer of our Canadian seamen are now being employed?

Hon. E. D. Fulton (Acting Minister of Citizenship and Immigration): I should say that the Mr. Banks referred to was given the status of a landed immigrant, I believe by order in council passed by the previous government. Since that time he has made application to be granted Canadian citizenship. His application came in the ordinary way before the citizenship court in Montreal, and during the hearing I believe there were some protesters who appeared. Then at that time or about that time there was civil litigation involving Mr. Banks and involving allegations of his having indulged in criminal libel. The judge of the citizenship court adjourned the hearing until he could learn the outcome of the civil litigation. I should add, perhaps, that the matter will not be before me for determination until after the citizenship court has made a decision on the application.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, October 23, consideration of the motion of Mr. A. R. Smith (Calgary South) for an address to Her Majesty the Queen in reply to her speech at the opening of the session, and the amendment thereto of Mr. Coldwell, and the amendment to the amendment of Mr. Low.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, this house has learned that the government is not interested at the present time in higher pay for members of parliament. Amongst the new members of all parties with whom I have had the opportunity to chat there was not any real concern about higher pay but there was concern about a more complete stenographic and secretarial service. The plaint is not with the quality of the present service but with its narrow scope. How does one keep

in touch with constituents and their problems, handle attendance and participation in debates, learn more about procedure and government operations, with only a half-day secretary to help you with the correspondence? This must be an old problem but I think it has been made much more crucial now by the energies poured into this house by the many new and younger members. I should like to hope that we could have a genuine secretarial pool on which we could draw to the limits of our working capacities as members.

Further, I do not think anyone here would agree with the provision that the United States legislators have as to the library of Congress whereby their reference service even writes the speeches for the members. However, I certainly feel that we could have a specialized research and reference service here for private members, staffed by trained librarians and by the best of graduate students from fields such as political science and economics, working on some kind of scholarship rota. We would abet the educational process and such scholars could give some depth to the knowledge that we bring to our work. If, as political scientists such as Professor Corry of Queen's maintains, a basic weakness of this house is the opposition's shallow knowledge of governing operations, a scheme such as I have just proposed would improve matters greatly. With due respect to all hon. members, may I say that most of us are sketchy, misinformed or underinformed on too many phases of government affairs. To me that may be one explanation for the tendency of our debates to groove into this business of "You said this", "No, I didn't", "Yes, you did" that we seem to have.

Nineteen days ago when the six o'clock adjournment interrupted what I was saying, I had just made some remarks about government leaders taking narrow party advantages out of the present set-up. Indeed, it almost appeared that this government had made our Port Arthur provincial member—a Conservative, by the way—its minister for northwestern Ontario. He had just announced that the C.B.C. was locating four television satellite stations in northwestern Ontario. I did not take that well and was pleased to have the assurance of the Minister of National Revenue (Mr. Nowlan) that he had not relayed this information to this particular gentleman. But it seems to me that one of the testing points of the grandiloquent purposes of the party across the way will be whether they take this narrow advantage. In Sault Ste. Marie's paper on Saturday I notice that the defeated Conservative candidate was making an announcement on airport extensions there. That is only a minor point. I suppose this game has been played for many years. All I can say is that one of the nicest things we have had in northwestern Ontario previous to this time was the fact that whatever we might say about the Liberal government we had, they did not go in for that particular kind of tactic.

In the region that I represent a television service, analogous to that offered by C.B.C. radio booster stations, appears to be the only hope for most of the towns in our bush hinterland. The Fowler commission recommended it; technically it is not too difficult; financially, this house must pass the moneys required; and they will be considerable. I should like to urge the hon. members to remember this point. Our bush communities lack many of the city's recreational devices, and even more of the city's educational and cultural facilities. Television brightens, informs, and moderates life in remote places, much more than it does in cities. The demand for it is sharp. When the matter comes up in the next session I hope that favourable consideration will be given in an impartial way to the provision of this service.

Political campaigning by television, of course, seems to arouse intense interest. It certainly seemed to culminate that way on the exciting night of June 10 and I feel this is true right across the whole nation, not just in Port Arthur. For such programming I feel that the rules evolved by the C.B.C. are rather frumpy. They do not allow much scope for imaginative programming. In centres such as Port Arthur our movement found television to be valuable in presenting candidates and policies. For one thing, it eases the handicap of press antipathy. Indeed, one of the main explanations for the slow progress of our party—slower than some of us would hope—lies in the fact that control of communication media has been in the hands of those to whom our program is anathema. In the face of this barrier, the marvel is that we have progressed at all despite the myriad prognoses of death we are having all the time from these newspapers. On this point, without rancour but with a great deal of amusement, one notes the alteration of treatment by our political pundits since June 10.

Two noted Liberal hod-carriers, one who writes for a national magazine, the other for a financial paper and occasionally for a Boston paper, have given the C.C.F. quite a play in past years—until June 10. With the Tory victory, the C.C.F. has almost disappeared from their maunderings. Similarly, after an initial burst of emotion on a possible Liberal-C.C.F. alliance, that garish charity of Canadian journalism, namely the Toronto

Star, had dropped us completely. To compensate, Conservative sheets—I will not mention them here—have drawn us out of past obscurity. It is the old problem of whose ox is being gored and all very much in the Canadian newspaper tradition.

Mr. Speaker, the constituency of Port Arthur is the third largest in all Canada in terms of area. It stretches from its name city in the southwest corner, west and north to Hudson bay and over 250 miles east to Hornepayne and White River. It has the largest population and electorate of the ten biggest ridings in Canada. I state this, Mr. Speaker, because a justified demand has arisen for a redistribution in my constituency. The eastern and northern towns, since Manitouwadge's whirlwind growth, feel they merit their own member and they will await eagerly any news of an independent commission on redistribution. If Port Arthur constituency were split in half, each part would still have more population than 30 present-day constituencies, and each would have more area than over 190 of the present-day constituencies.

This house will soon be graced by a most persuasive exponent for new colleges, especially junior colleges. At the Lakehead college we have what amounts to a junior college; the nucleus, we trust, of a degree-granting university. This school was initiated in 1947 mostly through the vision of the Right Hon. George Drew. It was and will be well supported by the local councils and people. But this Lakehead college is presently an example of the conundrum of federal support for higher education. The federal aid through grants administered by the provinces, and the new aid through the Canada Council have been, or seem to be, predicated on the principle "Them as has, gets!".

The double per capita system—first, by province and, second, by institutional enrolment—is great for well-established institutions, especially in Ontario. It is hopeless for fledgling colleges. We trust that Dr. Smith will become an unofficial minister of education, counselling real government help for new enterprises such as the Lakehead college of arts and sciences.

It is well to remember that we, like certain other parts of Canada, have an expanding population and economy, an enthusiasm for our region and a certain richness in talent because of the many nationalities in our background. From the point of view of our need, the worst factor of all is that we are isolated, far from any metropolitan centre, so that we need higher education much more than some places of comparable size which are close to universities.

Some people accuse the C.C.F. party of a Cassandra-like fondness for unemployment. Now unemployment, I gather from statements made by people of great authority, is rather a dirty word at the present time. Anyhow we and the people, I think, of all parties in northwestern Ontario regret that we are faced with the bleakest winter since the thirties. This is largely due to something we can understand: there has been a slump in our pulp and paper works; there has been a rapidly-changing production scheme in our woods industry which has caused quite a bit of dislocation. Of course we have all heard in this house, ad infinitum, about the doldrums of the grain trade. In such a situation and without a pre-prepared plan we hope for crash efforts by federal and provincial authorities to soften the effects of lack of work. A most hopeful project would be the one which I understand the Minister of Trade and Commerce (Mr. Churchill) has under consideration and that is the clearing and rock-work for the pipe line east of the lakehead to be done this winter. Our unemployment rolls are filled with men who have the necessary skills but during this past season some pipeline contractors had difficulties—so they said—because they had an inferior labour force. That would certainly not obtain at this time of the year.

A further suggestion is that the rockwork for groynes and breakwaters could be carried on over ice in the Fort William and Port Arthur harbours. The problem here is that neither the Department of Transport nor the Department of Public Works have plans prepared. It certainly is not the fault of the ministers; we are grateful for the investigations they have carried out with respect to our harbour facilities and we naturally hope for action.

Now the harbour facilities at the lakehead constitute a much-abused topic. In essence there are two main themes: first, the present facilities are inadequate for unloading seagoing freighters and for truck-haul transfer; secondly, the energetic efforts of the Duluth authorities have the jump on us and this Minnesota city will become the larger entrepôt for Western Canada.

To solve the problems with respect to the merits of these two points of view is I think something really for the experts in economics and engineering, but, like many of my constituents, I feel there is a sense of urgency and a need for leadership on the part of the government. The three levels of government in this nation are involved, plus the extraneous factors of inter-city rivalry and pressure from the prairies.

Nothing this government could do would impress us more than knowledgeable action on our harbours tied in with some alleviation of our unemployment problem. It would certainly help to quiet the whispers—growing to a roar—which are now going the rounds to the effect that it is shaping up like the thirties—a Conservative government; no work; hard times. Such whispers in my mind are very unfair, but let us not have them grow to an uproar.

Many residents in our small communities of the bushland are confused over their inability to obtain mortgage money for house construction because, it appears, of the low credit ratings and prospects of municipalities. The National Housing Act seems peculiarly ineffective; there is the vicious circle. Housing standards are low because of the economic position of the municipalities and the economic position does not improve because the tax and assessment structure is precarious.

There is considerable opinion at the lakehead that we could be much better served by Trans-Canada Air Lines. It is felt that too often reservations are impossible to get; that the number of available flights are too few. Some people argue that Canadian Pacific Air Lines should get a franchise from Winnipeg to Toronto through the lakehead. However, before plumping for that I would like to get an analysis of the problem from the minister concerned.

The trans-Canada pipe line has been a live issue at the lakehead for three reasons: firstly, because of Mr. Howe's part in it; secondly, because of local controversy over distribution of gas within the cities; and, thirdly, because of a considerable animosity —and this is a bad point—engendered by the United States contractors in the way they have handled their employees. I believe, of course, that the line should be publicly-owned and the bulk of the citizens, I think, would go along with this point of view. In any case the main reaction to this government's royal commission follows the path of the little blank verse written some years ago entitled "Royal Commissions". It goes:

Three cheers for the royal commission!
By the end of 15 months we shall have all the facts.
A year later
And the government will have a plan.
By that time of course
The situation will have entirely changed
And it would be clearly unwise to interfere.

Now in a political way—the rest of my speech will be involved with purely political matters, at least I believe this to be so—I would like to say I was weaned on Mr. King's Industry and Humanity. Despite my appearance I found it pretty meagre fare. However, it did open up in my mind a curiosity about the principles and basic ideas of political parties. I was very pleased to notice in a speech of the member for Algoma East (Mr. Pearson) the other day that he was again talking about Liberal principles and at the recent Progressive Conservative rally everybody was talking about the Conservative principles.

Mr. Pickersgill: No, they were mostly talking about the Liberal party.

Mr. Fisher: Well we will not get into that. To continue, it may be presumptuous of me as a novice, especially since this happens to be an arena of empiricism, to raise this matter but I have found that many people are hungry for discussions on the principles of political parties. For this reason I think it is worth while going ahead. It may be unfair to state that much of this hunger is due to an inability to distinguish between the fare offered by the Liberal and Conservative parties. C.C.F. members are often accused of purveying this line, ad nauseam and maybe we do it too much, but one would hope that in the midst of this busy legislative program we would not have to be putting forward this line and that the major parties would be displaying their own principles so that the people could see them in all their clarity.

Perhaps as an initial step I could put on record some words written 22 years ago by a man who has the regard, sometimes favourable, of many members of this house. Twenty-two years ago was the era of "King or chaos"; I hope you will remember that slogan. There was a ferment of political ideas. One yeasty bit of ferment was an article entitled "The Decay of Liberalism" written, before he became an impartial civil servant, by the hon. member for Bonavista-Twillingate (Mr. Pickersgill).

One must be fair. Those who turn to this article will find certain criticism of democratic socialism which I shall not cover now. After all, the member is still in the house and he could quite probably drag them out again. But here is the core, where this questing academic laid bare his political soul and pointed up the Liberal dilemma. He wrote:

> Liberal doctrines are supposed to have universal validity and to be beneficial to all men without distinction, but it cannot be denied that in practice, Liberalism has been the creed of the middle classes . . . The fact that Liberalism appeals to a section of society, the middle classes, rather than to the whole population, is not, however, the whole explanation of its decline. There is another serious weakness of Liberal doctrines, and that is the inherently inactive character of most of them. Potent to destroy political, social or economic privilege, but having little positive content, they have become politically obsolete as their destructive work has been completed . . .
>
> This negative character has been most obvious in the case of economic Liberalism.

This is still, by the way, quoting the member for Bonavista-Twillingate.

Mr. Knowles (Winnipeg North Centre): Professor Pickersgill.

Mr. Fisher: To continue:

> The doctrines of "laissez-faire" and of the beneficence of unrestrained self-interest were useful to destroy archaic, inadequate, and often ill-conceived economic regulations or privileges. But when that function had been performed, it began to be apparent that the effects of unrestrained self-interest, far from being universally beneficient, were often evil, and in some cases socially intolerable.

This is a damning attack. Here is a free enterpriser gone sour! Here is an absolute denial of the old economic basis of Liberalism. In fact, the hon. member for Bonavista-Twillingate belongs to a party that has almost completely rejected the old Liberal economic ideas in practice but not in party propaganda, and not for anything consistent, either. Thus we had Mr. Howe, the heroic free enterpriser to the business community and also the spawner of crown corporations. Have the Canadian Conservatives ever had a distinctive economic and social philosophy.

Mr. Martin (Essex East): No.

Mr. Fisher: We cannot leave them out of this. In some ways I feel they have grabbed the economic ideas of the old Liberalism but the author of a recent study of the Conservative party in Canada—and I would recommend to it to any hon. gentleman who has not looked at it—made the point that no Canadian Conservative has ever made a coherent statement of the Conservative party's general position. Indeed, some people—Conservatives, at that,—claim that such is unnecessary and impossible.

I was interested in the remarks of the fine premier of Ontario on March 28 last in the provincial assembly when he expressed his interest and intention in carrying out measures of practical socialism. I wonder if the Prime Minister (Mr. Diefenbaker) would be willing to call some of his proposals "practical socialism"?

In England, the spiritual home of the Bennetts, the Meighens, and our present day fifteen-percenters, the Conservatives have developed a certain continuity of thought first articulated by Burke and continued by figures such as Randolph Churchill and Chamberlain. This school of thought sees society as organic. Change is not impossible but it evolves; there is no revolution. Society, of course, pre-dates the individual and is superior to him. It is here after he is gone and thus we get a great veneration for the past.

Such a vein does not exclude social reform measures but regards them suspiciously. "Tory Reform" is not an uncommon phrase in England. But it is distinct from socialist reform. The pace is slower; there is a deference for established institutions, a veneration for the past and its forms and symbols Gentleman of elevation and property should give the lead in bettering bad social conditions. Reform comes from above, not in response to mass demand but because the Conservative elite is endowed with a high sense of moral responsibility. It refrains from the demagogue's, the huckster's appeal. Well, one can have a certain respect for the basic position given here; mighty oaks spreading their benevolent protection over the humble grazing in their shade. Deference on the one side; responsibility on the other.

Has this ever been the Canadian Conservative's basic position? I do not think so, except in the pursuit of the symbols rather than the substance of Canadian life. "Let us keep the royal crest on our mail boxes!"—that sort of thing. Perhaps I am too cynical but I feel the present government's attitude toward reform and most of its measures are opportunist, ad hoc. They have been stumbled upon haphazardly in 22 years of exile. In terms of left or right, they are probably left, but they are designed for the inside, not the outside of office.

Let us review a bit. The Canadian Liberals introduced social measures because they could not bear the consequences of their original economic ideas. In the quest for office the Conservatives have followed the Liberal lead; yet from both of them we still hear all this talk of free enterprise. We had the Prime Minister "private enterprising" the other day. Planning, economic and social, such as is included in the amendment to the address in reply to the speech from the throne, should be the logical outgrowth of 19th century Liberalism. Liberalism's very faith in the power of individual reason indicates this. But what do we find instead? We have a formless, piecemeal reaction to free enterprise with the refusal to give up the free enterprise, the private enterprise myth. If you scratch the verdigris off the Canadian you will not find a free enterpriser. Canadians are the greatest people in the world to turn and scratch on the government's door: "Do something for us".

I would like to deal with the images of the two older parties that history presents. Hon. members will perhaps forgive a history teacher for taking off on this tack. I think some of it may amuse you. Here are the Conservatives in the popular historical myth. As I see it they are the party of the empire; anti-yankee; the party of loyalty; the Queen and Tommy Church; the party that owns the flag—not the Red Ensign either, but the

Union Jack; the party with the cartoon view of Mackenzie King as a nasty little man chipping away with a mallet at the noble statue of Britannia.

In contrast, let us consider the popular historical image of the Liberals. They are considered tepid toward the empire and the commonwealth; looking southward; traditionally sympathetic to the United States; calling for unrestricted reciprocity; the permanent joint commission; the interlocking of North American military and economic interests.

The Tories: high tariff, the party of big business and national development. The Grits: low tariff, the party of the farmer and the small businessman. The Conservatives, centralizers; the Liberals, provincial rightists. But what switches have come about! Who has centralized for more than 20 years? Who has been the creature of big business for more than 40 years, ever since the days of the Grand Trunk Pacific and the Canadian Northern?

Since 1885 and Riel the Canadian Conservatives have raised an image of a party antagonistic to Quebec, with July 12 being considered in many parts of Canada as a Conservative day. The Liberals in this period have created the image of being pro-French; sympathetic to Quebec; pro-immigration; the party of all the people; all the ethnic groups. Do these differences, these popular images really exist? And if they do, are they worth it? I think they really do exist in the minds of some people. Will we get a view of the Conservative's antipathy to the United States when we know their policy concerning the C.B.C.? Will it continue as a rampart protecting a part of Canadian culture or will the Jack Kent Cookes and their Americanism win with the Conservative party?

An hon. Member: Tell us about the C.C.F. before your time expires.

Mr. Fisher: Let us wait and see. Today our Conservative Prime Minister, for example, is closely associated with the St. Jean Baptiste Society and that is not the sort of thing you think of in relation to the popular image as being a Conservative aim.

Mr. Churchill: You should go to Saskatchewan.

Mr. Fisher: Mr. Speaker, I think it is hardly fair that a new member of this house should be rudely jolted by these unsolicited interruptions.

Some hon. Members: Oh, oh.

Mr. Churchill: Stop jabbing, then.

Mr. Fisher: Another Conservative prime minister, Mr. Borden, took this country far off the colonial path. Fielding, a Liberal, swallowed high tariffs without a tremour. King was such a centralist that he could not abide the provincial Liberal premier, Mitch Hepburn. In the 70's the Liberals caterwauled about the C.P.R's gift of $25 million and 25 million free acres of the best land in Canada yet in 1956 the Liberals turned around and gave Trans-Canada Pipe Lines a public gift that makes the other appear fairly small.

Mr. Gardiner: What did the C.C.F. do with their Regina manifesto?

Mr. Fisher: Both parties came up with large campaign war chests filled by big business. Today neither is high tariff and neither is free trade; both claim to be free enterprisers, parties of sturdy individualism. Each pushes social welfare legislation which gainsays this.

There is a choice between them, all right, which will probably be evidenced in the next election campaign in terms of the personality of the leader: the jaunty bow tie versus the portentous, rhetorical pause. Each party is angling for the French Canadian bloc. Each seems to presume that the French Canadian either cannot accept an electoral defeat placing them on a minority footing in the nation or else they do not have to accept an electoral defeat. And what do we hear of the minority parties, strongest north and west of Sudbury? Out there where the air is light I suppose the popular image, according to the press, is that we are the crackpots, the zanies, the doctrinairs, the impractical fuzzy idealists. This image, of course, is fostered by the hostile press.

I would now like to turn to another subject. Hon. members will forgive me if I search my notes for a moment.

Mr. Gardiner: Do you want to find the Regina manifesto?

Some hon. Members: Oh, oh.

Mr. Fisher: No; we changed that. The point I wanted to make in conclusion is this: if we are those fuzzy idealists, and if we are crackpots, it gives me a certain amount of pride to stand here and later on to vote for the amendment introduced by those crackpots you see in front of me, the hon. member for Rosetown-Biggar (Mr. Coldwell) and the hon. member for Winnipeg North Centre (Mr. Knowles). If they represent the kind of zany thinking that the C.C.F. is always being accused of, I am very proud to be associated with them, and I feel that

they and our group give a more honest opposition, even if you disagree with them, than the anomalies that overlap in these two major parties to my right.

Mr. E. J. Campbell (Lambton-Kent): Mr. Speaker, as I rise in my place for the first time in this house my memory takes me back to a lesson I learned in public school and I can think of no better place to repeat that lesson than here today. It goes something like this:

> Speak no ill, but lenient be
> To others failings as your own;
> If you be the first the fault to see,
> Be not the first to make it known.
>
> For life is but a passing day,
> No lip may tell how brief its span;
> Then, O, the little time we stay
> Let us speak of all the best we can.

I am not going to attempt to speak at any great length in this throne speech debate, and I must admit also that I will be repeating some of the things that many other speakers have said. I will admit also that I am well pleased to repeat many of the other things that have been said because so many representatives agree with my own thinking.

I would like to add my congratulations to the Speaker on his elevation to his exalted position and also to the mover Mr. Smith (Calgary South) and the seconder (Mr. Arsenault) of the address in reply to the speech from the throne. I think theirs was a job well done.

I feel honoured and privileged to have the opportunity to speak for a few minutes to the hon. members who are here today representing the interest of the people of their districts, and on behalf of the people whom I have the privilege to represent.

I am not sure that I agreed with my colleague who moved the address in reply to the speech from the throne when he said that the terror you have when you get up to speak just automatically turns to plain fear because, as I sit here day after day—and I think the hon. member across the way mentioned 19 days—the pressure seems to build up to the point in a new member that I think the next object that you hear about flying around and around the world will be parts of a new member. The pressure certainly has not got less.

I do appreciate the comments which have been made from all corners of the house. I may say that I have had some experience in public service, although this is my first experience in the House of Commons, and in connection with that public service I have had the occasion to take part in a number of debates. I find that when you are reasonably sure that you are right when you are debating it seems to lend a source of strength to you that you cannot get in any other way. In my public service I have come to find a source of strength, and it seems fitting that I mention it here, in the words of the apostle Paul. It is recorded that he said:

> Prove all things; hold fast that which is good.

As I listened to the debates which have been given in this house, and having regard for the advice contained in the apostle's words, I like to think that the opposition which has been brought to bear against the proposals brought down in the speech from the throne have been intended, not so much to prove that the proposals are wrong but mainly for the purpose of making the representatives who are upholding them prove that they are right. If that is so, then I feel that they deserve to be commended for the opposition that they bring to those proposals.

I note that a number of members who, it would seem, have believed in and supported a different trend of thinking from that of perhaps a majority of the members who sit on this side of the house, have, after having had an opportunity to prove, as it were, the worth of their proposals and having apparently failed to prove that they were wrong, then reversed their position and voted with the majority on this side of the house. I feel that that is something that they are to be commended for and it is something which often requires tremendous courage to do.

I have suggested, Mr. Speaker, that there was a matter with which I was not quite sure that I agreed. However, at this point I would like to emphasize the fact that there are a number of things with which I do agree in the submissions which were made, and I will endeavour to deal with them in the order in which it appears to me that they affect the people of Canada and particularly the people of my district.

I feel that the need for greater stability and increased purchasing power on the part of agriculture and the beneficial influence that increased purchasing strength in the hands of the farm people would have on the many other lines of business is the one single thing that would do the greatest good for the greatest number of our people today. I feel that it would help to balance and strengthen the entire Canadian economy. I feel also—and I would like to emphasize this point—that aside from the indirect effect upon other lines of business the fact remains that on its own merits the dependence of the people upon agriculture for their most important needs, namely food, should give agriculture a rating

well up to the top of our consideration rather than at or near the bottom, where it seems to have been in these late years.

I would emphasize especially the need for help for the winter wheat growers. Measures have been taken to protect the western growers of spring wheat, but I suggest to the house that the growers of soft winter wheat in this part of the country are in a worse position than the growers in the west as far as price is concerned. I do not say that to reflect upon what has been done for the west. I am glad that the house has seen fit to pass a measure which is going to help the growers in the west but I respectfully bring to the attention of the house the wheat growers in this part of the country who are also in need of help. I believe it is the intention of the Ontario wheat growers to attempt to set up a marketing program in the near future under the Ontario farm products marketing act. If they do this I believe it will be a step in the right direction. I do hope they are successful in that effort.

I should like to say a few words in connection with soybeans. I understand there is a tariff or duty of $1.20 per bushel against Canadian soybeans entering the United States while United States soybeans enter Canada duty free. In my opinion, Mr. Speaker, if the Canadian regulations were balanced so as to provide the same protection for the Canadian producer as has been maintained for the United States producer it would change the position of the soybean producers of this country from that of a poorly paid business to one which would pay well. At the same time it would encourage the production of more soybeans which the figures show are needed in Canada. At the same time I feel quite sure this would draw land out of the production of other things which it would seem are being overproduced at the present time.

I should like to refer now to a letter I have in my hand. It is from the soya bean growers' marketing board and reads in part as follows:

> The newest farm organization in the United States, the national conference of commodity organizations, is working feverishly to come up with recommendations on an over-all farm program before the next session of congress. Members have already agreed on two basic principles which apply to almost all crops. One of these is to provide greater protection to farmers against imports from other countries. The conference wants tighter import controls. They say the government permits too many commodities to enter the United States. . . . The second is to get a new base for the parity formula.

I should like to point out that the United States, our greatest competitor, is setting up regulations to protect that country against imports from other countries. For that reason I draw the attention of the house to the fact that I feel we also need protection for our people.

I should also like to draw attention to the need for help for the sugar beet and corn growers. I feel I can speak with some authority in this regard because in the past I have, as a farmer myself, produced both of these crops in considerable quantity, and when I am home I still live on a farm where a certain amount of these things is still produced.

In the case of sugar beets, may I say that I was named a member of a deputation that came to Ottawa a number of years ago to see if something could be done to protect the sugar beet industry. We did not receive much encouragement at that time and on my return home I decided that I would cease growing sugar beets and I have not grown them since that day. In my opinion, many sugar beet growers are at a crossroads. Mechanized equipment has been devised to decrease the many hours of back-breaking labour that the harvesting used to take but farmers are in a quandary to know whether the future of the industry would justify the outlay of money that is required to equip themselves in this way. They are again asking for some measures that will stabilize and protect their industry to the point that they will have a reasonable assurance that their investments may prove to be profitable in the years to come.

I feel that this industry is well worth protecting not only from the point of view of the producers and workers who are employed in the fields and factories but also from the point of view of the machine companies and their workers. Perhaps more important than that, I believe it is necessary to have a home source of supply in case we should get into such a conflict as we have had twice in my time as the result of which trade barriers might be erected or trade might be cut off and we would not be able to get the supply that we need.

I also have in my hand a statement prepared by the sugar beet board in which is contained figures of contracted acreage from 1950 to 1957 inclusive. In 1950 there were 41,007 acres, which I believe was an all-time high, and in 1957 the contracted acreage was 20,313 acres, less than half the handling capacity. The Wallaceburg plant has been shut down for some time and would have remained closed throughout this year if it had not been for the fact that we had exceptionally good harvesting weather resulting in the beets piling up at the Chatham factory

and it was decided to operate the Wallaceburg plant for a short time in order to alleviate the situation.

I have a newspaper account here concerning a request made to members of the house a few days ago by a deputation of sugar beet growers in which they dealt with their objective and I should like to quote from the article which appeared in the London *Free Press* of Tuesday, November 5, 1957. In part it has this to say:

> Western Ontario's sugar beet industry today enlisted the support of . . . members of parliament in its plea for the establishment of a federal floor price of $14 per ton under sugar beets, and a curb on the importation of foreign refined sugar. These twin actions, according to a producer-processor delegation, were necessary to save the Ontario sugar beet industry from destruction.

This brought back to my mind very vividly my own experience some time ago when we came to Ottawa asking for much the same kind of protection.

I should also like to say a few words in support of the proposal to try to work out a tax sharing agreement between the federal and provincial governments whereby the provincial authorities, who in turn exercise a measure of control over the municipal councils, would be in a position to share a more substantial part of the tax burden of home owners for schools and other services and in this way bring about a measure of benefit where I believe it is most needed and would do the most good. I should also like to emphasize that because the purchasing power of our dollar today is not nearly as great as it was when assistance to our senior citizens was first instituted I am in favour of supporting the proposals outlined in the speech from the throne to increase old age pensions and other kindred benefits, which increases have, as the result of recent action, become a reality.

Finally, I recall to mind a few words that I feel have a fitting application in helping to emphasize the requests I have made. They are:

> If you would build a way that lasts
> Two things stand like stone
> Kindness to your fellowmen—
> Courage in your own.

I hope that we may be able to work together, kindly and constructively and with the courage of our convictions towards the establishment of those things that are good for the people of our country. To that end, I solicit your support and I pledge mine to you.

Mr. H. J. Murphy (Westmorland): Mr. Speaker, my first words in this debate are words of congratulation to you, sir, and to the mover of the address the hon. member for Calgary South (Mr. Smith) and the seconder, the hon. member for Bonaventure (Mr. Arsenault). I intend to make some suggestions during the course of this debate which I hope the government will find helpful in relieving the critical unemployment situation that is plaguing us in Canada, and more specifically in the province of New Brunswick. I am making these suggestions very sincerely because up until June 10 the Atlantic resolutions signed by the Conservative candidates in the Atlantic provinces and the new deal for the maritimes were the things that were most publicized. Since June 10, however, they have become deep secrets and I am not able to find out what is going to be done about them. I am told to wait and see. Apparently the government is in need of some suggestions as to what to do in the maritime provinces.

I should like, first, to urge the Minister of Transport (Mr. Hees) to take a greater interest in the welfare of Canadian National Railways employees, and to realize that his responsibility does not end with making funds available to the Canadian National Railways. He must see that Canadian National Railways employees who are walking the streets of the city of Moncton, and other Canadian National Railway points, are put back to work and that these unnecessary lay-offs, if I may borrow an expression from the minister, will not take place in increasing numbers. It was reported in the press that the reason the men were not taken back was because of certain seniority rights in the Canadian National unions. I had the opportunity of talking to R. P. Lellan, vice-president of the Canadian National system, federation 11, and Atlantic president of this federation, and I understood that the press release said the government would make funds available to assist in the re-employment of the Canadian National shop men who were laid off.

In this particular lay-off to which I refer there were 110 men laid off in the shop in our area and also some 50 men laid off in what is known as running repairs. I understand that no action has been taken by the government to induce the management of Canadian National to help those men in running repairs who were laid off. These men worked in the roundhouse and yards and many of them belong to what is known as the car man's craft. I further understand that the work planned in the Moncton area covered an increase in car production in the car shops. In connection with this new program, the management wanted to employ the laid off craftsmen in other trades, but the crafts organizations, having their own

seniority arrangements, wanted to see the car men who were laid off re-employed first. I feel the government should make sufficient funds available so that both the 110 men laid off in the shops and the 50 men laid off in the running repairs will be re-employed.

Suggestions have been sent to me by people in the international association of machinists. I have a letter from Moncton lodge, No. 594 outlining their plan. It is addressed to me as the member for Westmorland, and it says in part:

> We are aware of the understanding that serious consideration is being given by the Canadian National Railways of the letting of a contract to private industry rather than do this work at the Moncton shops. It was suggested that the Moncton frog shop work seven days per week so as to enable them to fill this order at straight time rates. This procedure is contrary to our wage agreement (Rule 2).
>
> It is also the understanding that the amount of this contract will be a minimum of two and one half million dollars.
>
> It is the considered opinion of local lodge No. 594, I.A.M. that the best possible solution to the problem is to acquire additional equipment so as to enable the frog shop to compete with private industry inasmuch as production is concerned. This, needless to say, would mean a great deal to the economy of Moncton and the surrounding area.

A few days ago I brought to the attention of the Minister of Transport another letter from the Canadian National war veterans association, dated October 28, 1957. The minister said he had received a copy of this letter. The association protested the dismantling and scrapping of thousands of dollars worth of very valuable machinery in the Canadian National Railways shops. These are suggestions which, in so far as the Department of Transport and the Canadian National Railways are concerned will assist us.

I could agree with the statements made in the speech by the hon. member for Saint John-Albert (Mr. Bell) on May 14, 1957, which is reported in the Moncton daily *Times*. He is reported as saying that there is a definite barrier between the maritimes and other parts of Canada. The hon. member also told this group that something should be done to encourage our youth to stay in the maritime region. He said that each year we have lost many of our brains to other provinces; it is a concern for us which is alarming. I have noticed an increase in the number of people leaving Westmorland county since June 10 because many times I have been called upon to assist them in obtaining papers and documents to enable them to go to the United States and find employment. I feel that the time has come to carry out major public projects to combat the recession now taking place in our area.

As hon. members of this house know, one matter of great interest to us is the Chignecto canal. This proposed canal would be about 18 miles long and would connect Northumberland strait with the bay of Fundy. I should like to point out that the Prime Minister (Mr. Diefenbaker) is reported to have said in Saint John, New Brunswick, on May 4 that he considered the canal to be part of the St. Lawrence seaway system. Upon completion of this canal, ships using the St. Lawrence seaway and wishing to proceed to South American points would save 400 or 500 miles, depending upon their destination. The Minister of Veterans Affairs (Mr. Brooks), who is also the minister for the province of New Brunswick, has always been a great supporter of this project and has brought it to the attention of this house year after year. I hope that now he is in a position to do something about it he will, and that he will be supported by the parliamentary assistant from the province of New Brunswick, the hon. member for Saint John-Albert, who has also supported the project at public meetings in Saint John. Many other members from Nova Scotia and New Brunswick have signified their support of this project. One of the strongest assurances concerning this canal was given recently in the house by the hon. member for Restigouche-Madawaska (Mr. Van Horne). I know that if the hon. member for Restigouche-Madawaska had been elevated to a cabinet post, as we in New Brunswick expected he would be after the remarks of the Prime Minister in Campbellton, we could put the faith that we would like to put in his assurances.

Another matter of great interest to the people of Westmorland county—and, of course, to the people of Prince Edward Island—is the construction of the causeway from Westmorland county to Prince Edward Island. Exploratory drilling has taken place in Westmorland county and I understand it is to ascertain the quality and quantity of stone that could be used in this project. We are all waiting for some announcement from this government concerning this project in particular. I am not at this time going to go into the merits of this causeway in full because there is on the order paper, standing in the name of the hon. member for Kings, (Mr. Macdonald) a resolution which will give us an opportunity to tell the house of the many advantages of this proposed causeway.

Another matter that was proposed some time ago, in fact, it was brought forward by the last government, was the power project for the maritime provinces. The idea behind this power plant is to make available power in New Brunswick and Nova Scotia. It has

been said that it will be built in the province of Nova Scotia at Springhill and it has also been said that it will be built at Saint John, New Brunswick. One reason that it would be built at Saint John, New Brunswick, would be that if coal became scarce, oil could be shipped in by sea to supply this power project. The reason given that it should be built at Springhill, Nova Scotia is its nearness to the source of coal. I have a suggestion to make in this regard. I suggest that the plant be built farther up the bay of Fundy at some point on Shepody bay. My suggestion would be that the plant be constructed at Dorchester which could be open to navigation the year round if, as suggested, they needed oil and it is only some 40 miles from the coal mines in Springhill.

Just about a year ago the Moncton *Times* sent me a complimentary copy of their paper containing a front page editorial scoring the hard money policy. In it they quoted Premier Flemming who pointed out that there was no inflation in the maritime provinces and he said that this policy should not be applied in the Atlantic region. I quote from the report in the paper of Wednesday, September 26, 1956 as follows:

"But I do not believe that this policy should be applied indiscriminately to all provinces and to all regions of the Canadan economy. The condition of the New Brunswick economy and, indeed, the condition of the economy of the whole Atlantic region, differs greatly from that of other parts of Canada."

And he urged that allowance be made when monetary restrictions were applied.

There has been no change. I asked the Minister of Finance (Mr. Fleming) the other day about the "castor oil policy". Perhaps he did not understand me. I will read what Premier Flemming has to say about that. This is quoting from the same paper:

Conceding that the hard money policy was necessary to prevent inflation in the booming central provinces, New Brunswick's premier said its application in this province was "about as sensible as a man with 10 children feeding them all castor oil regardless of their individual needs."

If this was true then, it must be true now; but I can tell you, Mr. Speaker, that if it was true then, we are still getting the castor oil treatment enunciated by Premier Flemming.

I should now like to turn to a subject about which I spoke last session and for my effort on that occasion I received both praise and criticism. That subject has to do with C.B.C. television operations. After the election this year *Time* magazine printed an article. I am going to quote from *Time* magazine of July 8, 1957 in which there is a report of a statement of a C.B.C. official. The paragraph was entitled "long haired nut boys", referring back to some remarks last year and it reads in part as follows:

Because the C.B.C. is free from obligation to make a profit, it is unfazed by program ratings. It experiments boldly with highbrow plays . . . Explains one C.B.C. official "If only five per cent of the population might be expected to find a program interesting then we do not expect more than five per cent to watch it. You cannot judge the value of a program by its rating."

I do not know how else you would judge a program. But apparently these people set themselves up as sole judge and jury. This is the attitude that I complained about last year in the House of Commons, namely that whether you like it or not you are going to have to watch what they put on if you are going to watch television at all.

In the part of the country from which I come we can receive, with a good set, four television stations. At the same time they produce C.B.C. programs and send them over all stations. With the percentage of five per cent interested in seeing this type of program, I wonder whether this C.B.C. official thinks for a moment that there is a large percentage of people in Canada who want to listen to someone advocating the communist line. We had on our station a C.B.C. program on which Joe Salsberg appeared and advocated the communist line. I have seen him the second time talking on the communist line and he said that he was a communist. He qualified that statement by saying that he was some particular type. But I do not think we as Canadian citizens want to listen to this man on programs for which we are paying. I think the percentage of those who want to listen would be very small.

At the same time we have other programs that are positively the wrong type, in my opinion, for showing at particular hours. From five o'clock to six o'clock over our station there is shown a C.B.C. program called "Fighting words". I think that is the name of it. Lately I have had more than one complaint about showing this program at this time. For over six months now in the Moncton district covered by this station we have been treated to a discussion on prostitution, homosexualism and allied subjects. That was between five o'clock and six o'clock at night when the children, including my own, are watching television. In one particular case a gentleman told me that this program came on and that his family were watching it when one of his children, age about 12, became embarrassed and he said, "We don't want to listen to that" and he got up and turned it off. That is not the kind of program we want in our province when our children are awake and are watching television.

I do not want anybody to think for a moment that I am attacking any particular person producing this program or anybody who cannot answer; because if there is anybody who can answer anybody, it is the C.B.C. Last year when in this House of Commons I came up with some honest criticism with regard to the Canadian Broadcasting Corporation, a week later a program—the same program, I might say—came out and discussed what I had said in the House of Commons here; and the concensus on that program was, "This man either wants to be or will be defeated at the next general election". They have national coverage. When I go on television I must pay for it for local coverage.

When the Prime Minister came to Moncton on May 4 he is reported by the Moncton *Times* as saying that if they were elected they would set up a body independent of the C.B.C. I would ask the Prime Minister what action has been taken in this matter. I would suggest to him that this is an urgent and national matter. We here in Canada hold very dear our way of life, our families and our Christian ideals. This programming of communism, prostitution and homosexualism can have a serious effect.

I understand that some of these programs are produced and sold below cost to sponsors by the Canadian Broadcasting Corporation. Now I may be told that there is a check on these matters by the Royal Canadian Mounted Police who look after the security problems involved but the R.C.M.P., although excellent law enforcing officers, should not I think be asked to take on the additional job of acting as judges. Somebody else may argue that there is a board of the C.B.C. which censors these things; well if there is it is a case of one person sitting on his own judgment which is against every rule of law.

Although I am not one of those who looks for a communist under every bed, I do not like the way things are going with respect to this programming. The pattern, if it is a pattern, coincides with that used by communist groups and carried out in communist countries. The first idea of the communists is to destroy the moral fibre of the nation, destroy the family unit and when this is accomplished the people are then ready to have imposed upon them a new way of thinking. We in Canada have always been very jealous of our way of living and today we have honoured the men who fought to save us from aggression of ideas from without. Let us be just as careful to safeguard our families, particularly our children, from within. I would like to suggest to the Prime Minister that a standing committee be set up so that the persons who are responsible to the public will have their decisions—whether right or wrong—judged by the people of the nation in the results of the general elections. In this way we will have a real democracy at work, safeguarding democracy.

Mr. E. G. Hansell (Macleod): Mr. Speaker, in this debate on the speech from the throne I think I should say I am sure we are all very happy to have witnessed the visit of Her Majesty to Canada particularly for the purpose of opening this session of parliament. I am sure we were all thrilled with the way in which the visit was conducted and recognize of course that the Queen herself in all her loveliness represented not only a tradition but the fact of loyalty to the crown which will linger with the British people, including the Canadian people for many many centuries to come. I wish to say in passing that no stone was left unturned to make the visit successful; the Queen endeared herself to the people of Canada and placed the crown in the hearts of our people in a way that has perhaps never been accomplished before.

I also wish in this connection to say a word with respect to the magnificent job done by the Canadian Broadcasting Corporation in televising the royal visit. I have always been somewhat of a critic of the C.B.C. I listened to the previous speaker with a good deal of interest, especially so far as what he had to say in connection with the C.B.C. programs. I think I will go along with him just 100 per cent of the way. I suppose I will continue to be critical of the C.B.C. just so long as I feel its policies are unbalanced or indeed tend towards the propagation of socialistic and almost communistic ideas.

However, I give credit where credit is due and apart from my criticisms I repeat that the job they did in televising Her Majesty's visit and the opening of parliament was a magnificent job one that compares more than favourably with any similar undertaking by any network in the world.

Now the original motion of course is for an address to thank Her Majesty for her most gracious speech. I suppose on the face of that we would all want to convey our thanks to Her Majesty but, being the democracy we are, at the same time as we thank her we may register any complaints we have in respect to the activities of her ministers. This parliament is where we as representatives of the people of Canada may lay bare the complaints we have at the foot of the throne and some of us will indeed wish to register our complaints in this way.

One of the complaints I have is that I can find no difference between the basic policy of Her Majesty's government today and the

policy of the government which preceded it. I have never been able, I cannot now, and I do not expect I will ever be able to see any difference between the basic policies of the Conservative party and those of the Liberal party. I listened with a great deal of interest to the speech made this afternoon by the hon. member for Port Arthur (Mr. Fisher). It was a speech well prepared and well delivered; The hon. member went into a little bit of history with respect to the Liberal party and also the Conservative party, but I am sure when we come to analyse the situation we will discover that as far as basic policy is concerned, there is no difference. While I congratulate him on his speech I was disappointed that before concluding he did not lay down specifically the policy of the socialist party, but perhaps he may have thought it was not too necessary to do so for I am sure we all recognize that their basic policy is one of nationalization, in other words socialization.

Now I would like to reinforce my remarks with respect to the question of whether or not there is any difference between the two major parties in Canada. Let me refer for just one moment to their activities in this house. I do not want to deal with little things but sometimes the little things are an indication of the pulse of the situation. I have been here a good many years and I suppose some of us have become quite used to the way questions are asked and answered in this house. We certainly became accustomed to the way in which Liberal cabinet ministers for years were in the habit of answering questions, but I really expected that when there was a change in government there would perhaps be a change in some of the parliamentary activities of the government side of the house. But we have seen no changes. As a first illustration let me point out that on October 15, the day after parliament opened, I asked a question of the Prime Minister (Mr. Diefenbaker) which I thought was extremely important in respect to the economic affairs of this country as they affect the people of Canada. As reported at page 17 of *Hansard* of that date I asked my question in the following words:

> May I direct a question to the Prime Minister or the leader of the house. Would the government initiate a move to have a special parliamentary committee or even the banking and commerce committee meet to pursue a study of the reasons for the inflationary trend and the continued increase in the cost of living?

I knew that such a committee existed in the United States Congress which met not long ago and did admirable work on this subject. I asked this question because we were opening another parliament with a new government in power and because I thought the cost of living, the question of inflation and the economic conditions of the country were serious enough to warrant a thorough examination by this parliament. I thought surely another government of a different stripe would now perhaps take up the cudgels of battle, institute such a study and bring forward something of value from such an investigation. But what happened? The Prime Minister answered my question in these words:

> Mr. Speaker, this government, as always, will give consideration to anything for the benefit of the Canadian people.

Well now, what an answer! This was the same kind of answer some of us had been listening to for 22 years from the government that was in office before the present government came to power. That was the answer I received to what I regard—and I think all would regard—as a highly important question. Immediately following that, the hon. member for Vancouver East (Mr. Winch) rose to his feet and is reported in *Hansard* as saying:

> I desire to direct a question to the Prime Minister. I am sorry I was not able to give him notice. I should like to ask him, what is the difference between the attitude of the majority of your members now as compared to the attitude shown by the previous government and to which your members strenuously objected?

Now, notice the Prime Minister's answer:

> It is not a question of attitude; it is a question of parliamentary rights.

There was, of course, an immediate chorus of "Oh, oh" by some hon. members and the hon. member for Vancouver East spoke again:

> As a supplementary question, may I ask the Prime Minister if he does not find there is a difference when the shoe is on the other foot?

The Prime Minister made no reply to this. The point is that I had raised a question which is a matter of concern to every citizen of Canada and the government has deliberately closed its eyes to the subject through the Prime Minister brushing it off and saying, "As ever, we are always interested in anything that is for the benefit of the people of Canada." Over and over again we have heard that type of answer given to questions that have been asked by hon. members. I do not know if I was actually amazed by it, but just the other day when the Minister of Finance (Mr. Fleming) was asked a question he said in effect, "You must remember that we inherited this situation from the previous government". What sort of answer is that?

Let me ask one question. If the present government did inherit the existing situation, what of it anyway? Did it not ask to inherit it? Of course it did, and the members of the government got just what they asked for.

Perhaps they did not really expect to get it, but they did. Just like Little Jack Horner, the Prime Minister put in his thumb and he pulled out a plum. Well, the members of the government got what they asked for and now they complain because they are faced with the problems that confront this country.

Hon. members will recall the nursery rhyme that begins, "Little Jack Horner sat in a corner". I thought perhaps I could write a little poem that would be apropos of the situation in which the government finds itself.

Some hon. Members: Oh, oh.

Mr. Hansell: I started off by writing, "Little John Horner sat in a corner," and had to use the word "corner" because I could not find a word to rhyme with "Diefenbaker". I thought I might have to give up the effort but finally I did sketch this:

Little John "Dief",
Sat with a beef,
Discussing political pie.

He put in his thumb
And pulled a fast one
And said, "What a good boy am I!"

Some hon. Members: Hear, hear.

An hon. Member: You are wasting your time here; the new Ogden Nash.

Mr. Hansell: The members of the present government asked to inherit the existing situation. They pulled out the plum and now they complain. Even today when questions were asked on orders of the day one government member said he was not aware that the situation today was any worse than it was under the previous government. What an answer! Another government member referred to the fact that he had not brought his crystal ball with him. Hope, hope, hope. He used words to the effect that he was looking into his crystal ball and hoping. That is not what the people of Canada want and that is not what we in this chamber want.

In answer to a question addressed to the Minister of Trade and Commerce (Mr. Churchill) he said he was only following the method used by the former minister of national health and welfare in answering the question put to him. We do not want him to follow that method. We want the members of the present government to come up with something new, fresh and dynamic, something that will appeal to the people of Canada as a solution to the grave problems confronting the country today.

Any government which inherits a situation and in a five-month period allows that situation to grow worse must be held responsible for it. Let us now hear any reference to the present government inheriting bad policies or existing situations; that is a confession of failure. The government has inherited something with which it does not know how to deal.

An hon. Member: They can be disinherited if they want to be.

Mr. Hansell: We in this corner of the house have always contended that the difficulties which governments have to face from time to time are the result of a faulty financial policy and unless those faults are corrected we will never be able to solve those difficulties. That is the reason this group is here, the reason we are returned almost every election, and that is the reason each one of us was returned this election with four additional members.

Let me turn now to the subamendment proposed by the leader of the Social Credit party in Canada.

Mr. McCleave: Put it in poetry.

Mr. Hansell: Well, not this time. I do not think very fast. It requires a great deal of time for me to write even a small jingle like the one I read. I do not have the brains that some people have. I have to think for a long time before I can compose poetry.

This is the subamendment proposed to this house by my leader the other day:

> However, we regret that there is nothing in the speech from the throne to indicate that it is the government's intention to ask parliament to lay down a scientific, modern financial policy for Canada that will guide the Bank of Canada in its operations, bring about a speedy end to the present tight-money policy, and effectively check the ever-rising cost of living.

That amendment, Mr. Speaker, was devised by reason of the fact that unless there is a change in basic financial policy, the problems that confront Canada today will never, never be solved. But when this amendment was moved and the leader of the Social Credit party made his speech, which was the basis of the amendment, of course, he had to criticize the policy laid down by the Bank of Canada. In criticizing the policy laid down by the Bank of Canada he mentioned the name of the governor of the Bank of Canada. Well, well, what happened? We find that the *Financial Post*, one of Canada's leading orthodox financial papers, began to take my leader to task. It was not very ably done, either, but it was done in a way that should be far beneath the dignity of one of Canada's leading financial papers. This is what one of the editors said. I do not know what editor

wrote this article; I wish I knew so that I could name him as I am reading this editorial. This is from the *Financial Post* of October 26:

> Mr. Low's contribution to the current Ottawa debate was a lecture on finance. It was an eye-opener to any who fondly believe that experience has cured the Crediters of their delusions.
>
> First, Mr. Low did the cowardly and inexcusable.—

An hon. Member: What is wrong with that?

Mr. Hansell: I continue:

> —He launched a violent personal attack on the governor of the Bank of Canada, a civil servant unable to defend himself.

Let me stop there just for a moment. Who said that any official of the Bank of Canada was unable to defend himself? Who said that? That is news to me. If the governor of the Bank of Canada, or any official of the Bank of Canada, wants to explain anything he can do so; for it seems to me that he is in a position even far above government.

Mr. Thomas (Middlesex West): Is he not responsible to the Minister of Finance?

Mr. Hansell: To answer my hon. friend's question, perhaps in some sort of legal sense he is, but in practice the Minister of Finance is responsible to him.

Mr. Pearson: Oh, oh.

Mr. Hansell: Now, then, any time the officials of the Bank of Canada want to come before the banking and commerce committee of parliament all they have to do is to make a request and the banking and commerce committee will hear them. What is this nonsense about a civil servant unable to defend himself? I continue with the editorial:

> Second, Mr. Low again revealed the Social Credit plan, if it achieved national power, to have that party run the extremely complex and delicate machinery of our monetary system.
>
> There is a strong element of farce in Mr. Low's impudence about the bank governor. Mr. Coyne happens to be an extremely able person, unusually versed in the difficult art and science of central banking.

Well, perhaps he is; but no one is above criticism by this parliament, for we, as members of parliament, represent the people of Canada.

I am not going to take the time to read the whole editorial but farther along we find this:

> The Social Crediters—quacks of the economic world—

Some hon. Members: Oh, oh.

Mr. Hansell: Thanks for the applause; we appreciate that. I am going to say this: the world in its present state was not brought there by anyone in his right mind. I continue with the editorial:

> The Social Crediters—quacks of the economic world—claim to have discovered that the monetary system is nothing but a nefarious plot to fleece the public.

Mr. Speaker: Order. I do not like to interrupt the hon. member but there is a rule against reading extracts from newspapers which relate to debates earlier in the session, and I should like to refer the hon. member to that rule which is citation 264 of Beauchesne's Parliamentary Rules and Forms, third edition. I should like to read a bit of it:

> It is out of order to read extracts in a debate if they:—

Then there are a number of subheadings:

> (a) refer to other debates during the same session—
>
> (c) contain unparliamentary expressions, as no language can be heard in quotation if it would be disorderly if spoken;
>
> (d) refer to, comment on, or deny anything said by a member;
>
> (e) allude to debates in the other house of parliament.

The extract comments on what an hon. member said earlier in the session and it seems to me it does contravene the rule.

Mr. Hansell: Well, Mr. Speaker, I suppose the hon. member could have risen on a question of privilege but this, to my mind, is extremely important because it takes the leader of the Social Credit party to task for what he said.

Mr. Speaker: I do not want the hon. member to understand me to say he cannot refer to it, but to read these extracts from the paper is contrary to practice.

Mr. Hansell: Mr. Speaker, I will bow to your ruling because I think I have covered that part of the editorial which refers to the Social Credit party. I had not thought of the rule before. If I had I would not have read the article. However, there is another part of the article which does not refer to my leader, or what he said, and it is quite striking in contrast. It says:

> This was seriously the belief of William Aberhart, the Alberta buffoon, who arrived in politics via evangelism of the kind that goes in for predicting the end of the world. If the banks could pull unlimited "money" out of a hat, argued Bible Bill, so could the government; and he offered to pay everybody $25 a month, for nothing, forever. What's more, he assured the citizens no taxation of any kind would be needed to finance the handout.
>
> Such were the preposterous economics of William Aberhart, a man of unfathomable ignorance on all economic questions.

The reason I read that, Mr. Speaker, is simply this. You see the illogic of the editorial writer here. He scores the leader

of the Social Credit group because he criticized the governor of the Bank of Canada, and he did not criticize him at all. He simply criticized the Governor's policy; but then, the editorial writer criticizes the leader of the Social Credit group for criticizing a man who the editor says could not speak in his own defence. And yet, what does the editor do but criticize a man who is long since dead, who cannot possibly come back from the dead to defend himself? Yet, he calls him a buffoon who arrived in politics via evangelism, of the kind that goes in for predicting the end of the world.

Some of us are mighty glad that a man like the late William Aberhart existed and put forth to the people of this country an appraisal of the present economic system that bleeds people almost to economic death through burdensome debt and taxation when at the same time our vast abundance of production is going to waste. Some of us are mighty glad that such a man existed, a man who, believe me, Mr. Speaker, has started a movement in Canada that will never die. Let the editor of the *Financial Post* know that. Let him know that he cannot kill this movement by that sort of wetting of pens and knocking out editorials on a typewriter. No sir, it will take more than that. Some of us are going to battle this thing through if we have to do it with our last breath.

Now, Mr. Speaker, may I say this. Long before the leader of the Social Credit party criticized the policy of the Bank of Canada, Hugh John Flemming, the premier of New Brunswick, did so. Let me emphasize that I am talking about the premier of New Brunswick. We do not want to get these men confused. I am talking about Hugh John Flemming, not Donald Methuen Fleming. Remember that. What did the premier of New Brunswick say in a speech delivered before the Atlantic provinces economic council long before the Social Credit leader made his speech in the house? Let me read from the Fundy *Fisherman* of October 9. For the sake of brevity I will break into the middle of the article but I am not altering the context. First, the article had this to say:

The colossal failure of the program—

The reference is to the program of the Bank of Canada.

—was illustrated on every hand—

They meant in Mr. Flemming's speech.

—and while the program was introduced inflation as defined by the Bank of Canada was non-existent, it has since become apparent that it is being created. After gathering force slowly over a period of months, the slump brought about by the Bank of Canada's policy was gaining in impact and was striking with particular force at the Atlantic provinces.

That is from the news item in the Fundy *Fisherman*. Now, what did Hugh John Flemming say when he spoke to the Atlantic provinces economic council? Of course, I cannot read his whole speech. That would not be permitted and I recognize it is against the rules to read too much, but here are certain portions of his speech:

The purpose of this policy, as stated, has been to check the pressure of a strong over-all demand on a scarce supply of resources. But, I submit, where is the scarcity? According to the dominion bureau of statistics, retail trade in the Atlantic provinces in the first six months of this year failed to attain the level achieved in 1956.

In the country as a whole the tight money policy has not been successful in checking the rise in prices. In September, 1956, the consumer price index stood at 119. Today is stands at 122.6. The odd thing about the present situation is that prices go on rising and yet there are very few commodities in short supply. Indeed, over recent months, business inventories have been accumulating at quite a rapid rate. The only thing which appears to be in really short supply is money, particularly east of Montreal.

In the United States the rather odd monetary and economic situation we appear to be in has resulted in the United States senate finance committee holding hearings on the financial condition of the United States. These hearings began on June 18 and continued in high gear during July and August. The whole banking and financial structure of the United States is being subjected to a most careful and searching scrutiny.

The premier of New Brunswick continued:

I think that something similar should be under way in Canada. After all, our monetary system has not been given a really careful examination since the royal commission on banking and currency was appointed in 1933, almost a quarter of a century ago.

Hugh John Flemming said almost the same thing as the leader of the Social Credit party said in this house some days ago. But did the *Financial Post* criticize him? Oh no, they did not.

An hon. Member: He was a Conservative.

Mr. Hansell: Yes, he was a Conservative and perhaps will turn out to be a good one. Do not think I have any idea that there are no good Conservatives in the ranks. There are some good ones. I have known them for a long time. I have known the Prime Minister, he is a fine man. The Minister of Finance is a fine gentleman, and you who have recently come here are mighty fine boys; yes sir, mighty fine boys. But after you have been here as long as some of us you will find how impotent you are.

You talk about the supremacy of parliament. What a laugh! All you can do in parliament is holler your head off like I am doing now. Whether or not anybody takes any notice of it, I do not know. You talk about the supremacy of parliament. That is really a joke. You talk about the supremacy of the government. That is another joke because

there is a government stronger than the government that governs the government. Yes, sir. I am telling you that unless they change their financial policies they will never solve the problems of this country.

Through the policy announced by the Bank of Canada not very long ago tight money has caused inflation. It has been accentuated. Instead of safeguarding the stability of the economy of the country they are running the country into the red, into the ground, and the people of the country are thereby suffering. The evidence is that of a disastrous failure. The cost of living continues to rise and that affects each and every individual man, woman and child within the borders of this fair land. Inventories of goods are continually growing, with less money to buy goods. If that is not the result of economic policy, what is it the result of? Let the government say what it is the result of.

Surplus production? Yes sir, wheat is spilling over and is being dumped in the open on the prairies while the world starves. If that is not the result of economic policy, what is it the result of? There is an abundance lying unused all over the ground. Warehouses are beginning to become overstocked while part of the world continues to exist on the lowest possible subsistence level, with some nations on the verge of starvation. Unemployment is growing. In Canada it has now reached approximately 200,000. I read a speech that the Prime Minister made somewhere the other day in which he mentioned the number of people who are employed in Canada. That does not give the picture at all. How many people are unemployed in Canada and why are they unemployed? If it is not because of a faulty economic system, tell me what it is, for every time there is an increase in unemployment there is a decrease in income and the people therefore are that much farther short of the necessary money to buy the vast production of goods from our farms and from our factories.

Municipalities are labouring under crushing financial burdens. That is the picture. Housing construction is gradually petering out. Agriculture which produces the foodstuffs of the nation and which could supply foodstuffs for other starving nations is struggling for its economic existence today. We read today of the terrific drop in the price of hogs and of the stock market falling continually.

What is responsible for that, if it is not economic policy? I challenge the Minister of Finance. I notice he is not in his seat at the moment; I do not know where he is, but it does not matter very much. Perhaps he is running around trying to find markets or perhaps he is running around trying to convince somebody that he is right. I wish he would convince himself that there is something wrong, tackle that which is wrong and rectify it in an attempt to make Canada what it ought to be.

I say that this economic situation we are witnessing today is the direct and disastrous result of a policy that has been laid down by the Bank of Canada. The Prime Minister is in his seat now. I do not know whether or not he intends to take the opportunity of participating in this debate, but I wish he would say whether or not he opposes this policy that has been laid down by the Bank of Canada or is this government working hand in glove with that policy.

Mr. Speaker: Order. I am sorry to interrupt the hon. member but I must inform him that his time has expired.

Mr. Hansell: Thank you, Mr. Speaker. Perhaps it is a good time for me to stop anyway. I did want to say something about what the Social Crediters propose to do, but thank you for reminding me, and I will do that some other time. We hope we will have plenty of opportunities.

Mr. Douglas Jung (Vancouver Centre): Mr. Speaker, it is with mixed feelings of pride and humility that I rise today to address this honourable house. I rise with pride because I have been privileged to participate in two historical events; one of which was the opening of this parliament by Her Majesty Queen Elizabeth II, and the other is that a Canadian of Chinese extraction now sits in this house for the first time. It is, however, with humility that I speak because I am aware of the tremendous responsibilities which rest upon me, not only as the first member of my race to sit in this house, but also to my constituents who have thought at all times of me only as a Canadian.

I hope, Mr. Speaker, that hon. members will feel some pride from my presence in this house as being one example of the kind of democracy that does exist in this country. I, personally, derive deep satisfaction from being here because hon. members may not know that, less than 10 years ago, Canadians of Chinese extraction did not have the provincial franchise in British Columbia. I understand that British Columbia was the only province that had that restriction. Since that time British Columbia has made amends so admirably that to that province must now go the credit for sending a Canadian Chinese to the House of Commons. While those of us in the Conservative party will take particular pleasure in my election, which election will refute any argument that this party

has been discriminatory to certain groups in the past, I am sure that hon. members on both sides will rejoice that we in this country have a system of government that does not extol its virtues by fanfare, but by expressing our belief in our principles by deeds and not words.

I wish to record also at this time, Mr. Speaker, my deep respect for the Right Hon. Leader of the Opposition (Mr. St. Laurent). At the conclusion of the second day's sitting in this house, and because I was anxious to meet a man who is generally acknowledged to be a great Canadian, I went over and introduced myself to the right hon. gentleman, and he acknowledged my intrusion in the most gracious and courteous terms for which he has long been noted. I trust that when I leave this house, I shall leave with the same esteem and high regard in which all hon. members hold the right hon. gentleman.

It is my intention, Mr. Speaker, to speak very briefly about a few things which have particular application to my constituency of Vancouver Centre. As you know, my constituency contains almost all of the downtown business and financial districts of the city of Vancouver. There is in it, among others, a very large group of clerical workers. Many of these workers, as indeed workers in all occupations, have at one time or another suffered severe financial loss through illness. It is with a view to alleviating that problem that I urge the government to give some consideration to extending the benefits under the Unemployment Insurance Act. A great number of people have contributed to this fund, and while the possibility of their being out of work is always present, I think the chances of their losing time through illness is much greater. Yet, while they are absent from work through illness, they cannot apply for benefits. I feel that the fund is now sufficiently established whereby benefits could be extended without making further demands on the government. These remarks, of course, are qualified in the light of the proposed national health legislation which this government plans to implement.

My next proposal has to do with the university students. I am sure that all hon. members will agree that, in this particular age, young people should be encouraged to attend universities. As one who, among others, attended university under rather straitened financial circumstances, I urge the government to give some consideration to exempting from income tax the summer earnings of university students. I think the loss in income to the government from this source would be quite small, while the benefit to be derived by this particular class of people would far outweigh the temporary loss of income to this government.

Next, Mr. Speaker, the position of retired civil servants, as indeed the position of all senior citizens, veterans and disabled persons, will always occupy and have my prime interest. I shall defer my remarks on this subject because of the legislation which has been introduced. But I should like to suggest that an inquiry be made into this entire field of social legislation, which would examine old age pensions, health and unemployment insurance. I know this proposal is not new, but I submit that the object of this inquiry should be to insure that the administration of these overlapping agencies should be performed as efficiently as possible, rather than to see how much more should be granted at the present time.

My final proposal has to do with the immigration of Chinese nationals. My constituency contains the largest group of Chinese in Canada. Out of some 44,000, British Columbia has 10,000; Vancouver alone has approximately 7,000. But lest some hon. members think that I was elected only through the efforts of the Chinese community, may I explain that, if every one of the registered Chinese voters had voted against me, I still would have been elected with a substantial majority. I mention this point merely to emphasize a fact that most hon. members will appreciate, and that is that no person can be elected through the efforts of any one minority group. His support must be much broader.

I speak on this matter of immigration, Mr. Speaker, not because I advocate an influx of Chinese, but because I believe that we owe a moral obligation to the early Chinese immigrants who are now naturalized Canadian citizens. Many of our early immigrants had to pay a head tax ranging from $100 to $500 in order to enter Canada, and they were not allowed to bring their wives or families with them. They were thus, for a long time, deprived of a normal home life. Regulations were relaxed in 1947 which permitted, within limits, the entry into Canada of dependants of Chinese who were naturalized Canadian citizens. There is still, however, a number of families whose members are separated.

Without going into technical details, it is my intention to urge the government to expedite the entry into Canada of these dependants, so that the members of the Chinese community who have contributed so much to the development of this country, and who have been denied a home life for so long, may be able to enjoy a measure of

happiness during the last few years before they pass on. The number of persons so affected is not large. I am informed by a responsible source that even if the government were to relax the regulations today to cover this category the total number affected would be approximately 6,000. Hon. members will appreciate the fact that this number is insignificant compared to immigration from other parts of the world. There is no danger whatsoever of a great influx. Once these people have been taken care of, then of course the immigration regulations will be applied alike to all immigrants, no matter from which country they come.

The early Chinese immigrants referred to Canada as Gun Shan, or Golden Mountain, because of the opportunities which this country held out to them. Material success came only to a very few. Nevertheless, these people still held to their faith in Canada. Today, these same people feel that their faith has been completely vindicated because they have seen the election of a Canadian Chinese to the House of Commons. They feel that whatever opportunities they missed, their children will now have.

Finally, Mr. Speaker, while I am dealing with the question of Chinese immigration, I think that it is appropriate that I say something about the rise of the Asiatic countries and their influence on world politics. It is not my intention to speak about things connected with government policy because I know that there are other hon. members who are more competent than I to speak on those matters. But because of my background, Mr. Speaker, and because of my ability to speak the language, I feel that in this particular field I can perhaps interpret to hon. members the thinking and the psychology of some of the Asian peoples. My remarks are therefore directed more at the approach which we might take towards these peoples.

Mr. Speaker, we have today two opposing forces, namely the eastern bloc, composed of Russia and her satellites, and the western bloc consisting of the commonwealth and the United States. There is no doubt that in the commonwealth we have a strong political unit; but counteracting this commonwealth group is the new Afro-Asian group which has emerged, and it is with this group that I wish to deal.

I think that a suitable starting point for my remarks would be to relate to you, Mr. Speaker, a comment made by one of the Asian delegates to the legal committee of the United Nations. In discussing international law this learned gentleman said that international law should now begin to feel the influence and to receive the impact of the Asian point of view. To me, Mr. Speaker, that was a most significant statement because international law is a comparatively new field of law and is still in its evolutionary stage.

We have today two great systems of law, the British common law system and the system of law based on the Code Napoleon. The leaders of Asia, in a great number of cases, have received their legal training from either one of these two schools and they have tried to evolve a system which would have particular application to their countries. Some of these countries, in their newly found situations of freedom and independence, are now aggressively asserting their status. We all appreciate that in the assertion of their status many of them are still feeling their way and that, owing to certain periods in their history, they are sensitive to the manner of the approach which certain western countries make to them. Because of this sensitivity, I suggest that our approach to these countries might be different than to those countries which have had and enjoyed a longer period of political development.

To the oriental peoples particularly, Mr. Speaker, an approach based on reasoned argument, and presented with sympathy and courtesy rather than with an air of condescension or superiority is, I suggest, the kind of approach that will produce the desired effect of gaining their trust and co-operation. Because Canada is not, and will never be, I do not think, a major power, and because of our treatment of minority groups generally, this is the kind of approach that Canada can make without any sense of embarrassment or guilt. I suggest that Canada, by acting as the spokesman for the more highly developed countries, and because of our support for the United Nations and its agencies, can with facility and confidence explore new channels in order to help the west acquire the friendship and trust of this Afro-Asian bloc.

This Afro-Asian bloc, which today consists of 22 countries, is in great need of economic and social development. But many of these 22 countries, some of which are part of the commonwealth, are being assiduously wooed by Russia. Russia is extending to those countries aid in every conceivable form, from economic to military. I suggest that Canada, because of our unique position in world affairs established through a record and reputation of non-exploitation, is in a position to take the lead in contacting these

nations, on behalf of the western countries, for the purpose of extending a more vigorous policy of economic and social aid.

I say "a more vigorous policy" because since world war II it has always been Russia which has created para-military situations which leave the western countries gasping and desperately striving to recover. Why should we, with our superior resources and professed political sophistication, always be in a position where we are caught short? At one time we thought that the west was at least superior in technical achievements. That belief has now been dramatically shattered.

Mr. Speaker, I suggest that the satellite countries in Europe are beyond our reach and influence. They are too closely under the control of Russia. And so we have the Afro-Asian bloc as the remaining alternative on which to expend our efforts. The economic and military potential of this group staggers the imagination, and we in Canada with our 16 million people might do worse than to be on friendly terms with this bloc of countries which comprise almost a billion of the world's population. I believe that most of these countries want peace and that they need a period for economic development. Because of our limited resources, Canada alone cannot begin an overly ambitious program of economic aid to these countries. Nevertheless, the suggestion put forward recently that Canada take the lead in research into the use of commercial atomic power for these underdeveloped countries is one which to me merits serious consideration, notwithstanding some of the financial aspects involved.

The role which I have suggested for Canada insofar as the Afro-Asian bloc is concerned may not always be an easy one, because some of these countries, imbued with a newly-forged sense of nationalism and being jealous of their status, have unfortunately gone to the other extreme in order to impress upon the world their new position.

Mr. Speaker, I repeat that probably none of the things that I have said are new; in fact all of what I have said may present difficulties of which others more qualified than myself are aware. Nevertheless, it is because I feel so strongly and so very deeply about the impact of the Far East upon world politics, and because I am concerned that we do not lose any more of the traditional friendship which this country has enjoyed with these countries that I say these things today, knowing full well that hon. members are already giving full consideration to these problems. Nevertheless, I, like other young people, have reserved the right to my generation of repeating the obvious with all the courage we can muster. I know that I share with other hon. members the great faith that we have in the future of Canada, and I hope that in time we may see Canada emerge, not only as a great country but also as a great humanitarian nation.

Mr. A. J. MacEachen (Inverness-Richmond): Mr. Speaker, at the very beginning of my remarks in this debate I wish to congratulate very sincerely the hon. gentleman who has just taken his seat and who made such a very outstanding maiden speech which was received with sympathy and interest by all members of this house. I am also conscious as I rise to speak this afternoon that we, like all the other people of Canada, are celebrating a very important remembrance day and that if we do not interrupt the proceedings of the house in order to mark this occasion it is because we feel that the discharge of our parliamentary duties is more in line with the spirit of this day.

I wish also to congratulate you, Mr. Speaker, upon your accession to your new post. Although I have been carrying these congratulations now for some weeks I feel they can be made with more substance today because the confident expectation expressed by the Leader of the Opposition (Mr. St. Laurent) as to the outcome of your election has been well justified by the good humour and firmness with which you have guided us so far this session.

Some hon. Members: Hear, hear.

Mr. MacEachen: While I am on this sincere and complimentary theme I wish also to congratulate the mover, Mr. Smith (Calgary South) and seconder (Mr. Arsenault) of the speech in reply for the very splendid manner in which they acquitted themselves in the first days of our sittings.

I cannot forego the proper courtesy of noting the presence in this house of nine new members from the province of Nova Scotia who are sitting here for the first time but, I regret to say, on the government side of the house. Hon. members who were present during the last parliamentary session will recall that there were 10 government supporters in the house and two members of the opposition. Well in this parliament there are also 10 supporters of the government and two members of the opposition and although I wish to congratulate these new members from Nova Scotia upon their election to this house I certainly cannot extend to them the same congratulations upon the location in which they find themselves this afternoon.

With your permission, Mr. Speaker, may I call it six o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. MacEachen: Mr. Speaker, just before the dinner recess I was referring to the rather obvious change that had occurred since the last parliament in the composition of the representation from the province of Nova Scotia. I believe that such a transformation could only represent a shift in public opinion in the maritime provinces and indeed in the provinces of Nova Scotia and Prince Edward Island in particular. I among others believe that the chief reason for this particular shift in opinion had to do with the skill with which the leader of the Conservative party had seized upon one of the chief and obvious problems of the Atlantic area. That was the fact that over the years the Atlantic provinces had not showed the same rate of economic development as other parts of the country. It is a problem that had affected the thinking of this parliament during my stay here and one which had been discussed often on various resolutions.

The present Progressive Conservative leader and his candidates, as I say, capitalized upon this particular and legitimate grievance and presented a commitment to the people of the Atlantic area prior to the election of June 10. I believe this commitment can be best represented as a promise to initiate in the Atlantic area an economic program, indeed an economic revolution, which would have as its chief effects, first of all the closing of the gaps between the incomes received by citizens of Nova Scotia and the rest of Canada, the establishment of new industries, and finally the creation of new employment opportunities which would halt the movement of population from the maritimes to the rest of Canada. These are effects which are honestly desired by all the citizens of the maritime provinces, and the Prime Minister (Mr. Diefenbaker) and his candidates prior to the election chose as the particular instrument that would carry forward these desirable objectives the now famous Atlantic resolutions. I am happy to know that there are at least two persons in Canada who are still interested in the Atlantic resolutions; namely, the hon. member for Westmorland (Mr. Murphy) and the premier of Nova Scotia because we have had references made to these resolutions by the hon. member for Westmorland and on Saturday the premier of Nova Scotia also made a reference to these resolutions to which I will refer later.

However, I think it should be stated that these resolutions were received with great interest and great appeal by the citizens of the maritimes. Indeed, the *Atlantic Advocate* in its issue of July 1957 states that the seven Atlantic resolutions are of prime significance. The editor states:

> The seven "Atlantic resolutions" are of prime significance. They constituted the seven-point election manifesto of the Progressive Conservative candidates in the four Atlantic provinces and were endorsed in their main principles by Mr. Diefenbaker.

Indeed, so seriously did the editor of the *Atlantic Advocate* take the Atlantic resolutions that he suggested a new portfolio should be created in the Canadian government. He thought the problems of shepherding the resolutions through the labyrinths of Ottawa would be so formidable that the example set by the British government in having a special minister for Scotland should be applied to the four Atlantic provinces and we should have a secretary of state for the Atlantic provinces. Well, I trust if such a portfolio is established the minister who holds it will have greater success than has his counterpart in Scotland in bringing the needs of Scotland to the attention of the British parliament.

Mr. MacEwan: You leave that up to us.

Mr. MacEachen: I must say that we have had no indication that the government intends to establish such a portfolio, but we do have a presentiment of the attitude of the government thus far on the importance of these Atlantic resolutions. One of the Atlantic resolutions was the establishment of a Canadian coastguard. On October 29, 1957, the hon. member for Comox-Alberni (Mr. Barnett) addressed a question to the Minister of Transport (Mr. Hees) asking him the intentions of the government with respect to a Canadian coastguard. I am sure that hon. members will recall the answer given by the minister which is to be found at page 549 of *Hansard* of that date. It will be clear to any person who has read the answer that up to the present the government has made no decision to change the arrangements made by the previous Liberal administration with reference to a Canadian coastal service of this type. That was the first intimation we had of the fate of the Atlantic resolutions.

Some days ago, on October 31, the hon. member for Westmorland addressed a question to the Minister of Finance (Mr. Fleming) having to do with a further resolution calling for special fiscal considerations to encourage the location of industries in the Atlantic provinces. I believe the answer of the Minister of Finance deserves greater attention

than the answer on the previous resolution. The answer of the Minister of Finance will be found on page 603 of *Hansard* of that date. Suffice it to say that the hon. member for Westmorland asked the minister:

> What special fiscal consideration is being given to private enterprises to encourage the location of industry in the Atlantic area?

In reply, the Minister of Finance stated:

> —if my hon. friend will be a little more specific I think I may be able to give him a more satisfactory answer.

Well, it was clear to me, as it must have been to every other hon. member in the house, that the Minister of Finance did not even recognize this particular question as having to do with an extremely important resolution put forward by his party in the Atlantic provinces. Later, in an effort to recover whatever ground had been lost in his first answer, the Minister of Finance recommended to the hon. member for Westmorland that he consider the measures in the speech from the throne on this particular subject. Here, of course, he committed an even greater error because there is no reference whatsoever in the speech from the throne to any fiscal considerations that might be given to the encouragement of industry in the Atlantic provinces.

The Atlantic resolutions also contained a special inducement that policies would be introduced to encourage the decentralization of industry in the Atlantic provinces, calling for more crown corporations for that area and a bigger share of defence expenditures. The hon. member for Westmorland, with I think exemplary interest in his constituents, again addressed a question to the Prime Minister who replied that when action had been taken on this particular subject it would be announced to the house.

There we have, Mr. Speaker, the early reception of the government to this major manifesto in the Atlantic provinces. I trust that the later reception of the government will be more in line with the statement made by the premier of Nova Scotia last Saturday at Halifax when addressing a very important gathering of his fellow Conservatives. As reported in today's issue of the Halifax *Chronicle Herald* the premier of Nova Scotia said that all the Atlantic resolutions would be put into force as soon as proper study had been given them and legislation was prepared.

The premier of Nova Scotia has given us in Halifax assurances on the subject of the Atlantic resolutions that we have not yet received from the government of Canada. I trust that the very optimistic tones sounded by the premier in Halifax will be simply a forecast of a categorical statement by the Prime Minister that all the resolutions that were adopted as part of his manifesto will be put into force, and I will even accept the qualification of the premier of Nova Scotia, after proper study and when they can be put into legislative form.

So much for the Atlantic resolutions; I want to refer for a moment to the references made in the speech from the throne to development in the Atlantic provinces. The speech from the throne states that:

> As an immediate start upon a program of more extensive development in the Atlantic provinces, you will be asked to authorize, in joint action with the provincial governments, the creation of facilities for the production and transmission of cheaper electric power in those provinces.

This particular policy has been heralded by members opposite as a new deal for the Atlantic provinces. Well, we welcome this particular deal. It is not a new deal; it is simply a repetition of the deal that was offered to the provinces of Nova Scotia and New Brunswick in the budget of Mr. Harris last spring. In so far as this particular proposition will contain the merit of the previous proposal, then it certainly should be endorsed by this house and by the people of Nova Scotia and New Brunswick.

I think the elements of the previous proposal are worthy of repetition. The power proposal was first based, not upon suggestions made in this house by any hon. member but by a study that had been undertaken into the prospects of thermal power development in Nova Scotia and New Brunswick by Professor Christie of Johns Hopkins University, who is regarded as one of the outstanding experts on thermal power in North America.

As a matter of fact, Professor Christie made three or four small reports on this subject and—

Mr. MacInnis: Quote what your leader said.

Mr. MacEachen: I am ready to deal with what my leader said on the subject and I hope the honourable member will be able to deal with what his leader said on these particular subjects.

Mr. MacEwan: You were in office 22 years; what did you do?

Mr. MacEachen: Mr. Speaker, this particular proposal had the germ of a very important idea because it called for the unification of the power systems of Nova Scotia and New Brunswick under a central authority, and later that particular intention was expected to be carried out through handing over this particular work to the

Northern Canada Company. The federal government, in its first proposal, also promised to pay the costs of transmission lines and to pay the cost of building those power plants in Nova Scotia and New Brunswick.

There was then another very particular problem that arose in connection with this power development in Nova Scotia and New Brunswick and is the particular problem which the hon. member for Cape Breton South mentioned a moment ago. There were two interests involved in this power proposal. First of all was the guarantee of the use of the cheapest fuel because it was absolutely necessary that power be generated and distributed in Nova Scotia and New Brunswick by the cheapest possible fuel. That was in line with the needs of the domestic and industrial consumers in those two provinces.

The second interest, of course, was the interest of the Nova Scotia coal industry. It was an absolute necessity that this power be generated from coal because of the need of expanding markets for the Nova Scotia coal industry. Now, there appears to be a conflict of interests between these two desirable objectives; but that apparent conflict, Mr. Speaker, was overcome by the previous government in its commitment to this house and to the country that coal would be used in those power plants. It was further stated that in any particular market situation that coal was more expensive than the cheapest competing fuel, coal would be assisted to the extent that it could be used in those power plants.

There was never any question that coal would not be used in those plants, and there was never any question that the preceding government had not given a commitment that if necessary coal would be assisted in order to compete with the cheapest possible fuel.

In the course of the campaign, as is customary, there were many charges and counter-charges made on this particular power proposal and I hope that what was said in the campaign will not permit this very important project to be lost in political bickering. But, Mr. Speaker, I want to place before the house the statements of the Prime Minister with respect to subventions on coal.

In the speech from the throne and later in his first speech made in the debate the Prime Minister said that his government was prepared to pay subventions on the movement of coal for power purposes in the maritime provinces. I suggest that the statements made by the Prime Minister in the course of the campaign have no other interpretation than that his government would be prepared to pay subventions, not only on the movement of coal for power purposes but on the movement of coal for all purposes in the Atlantic provinces, and that is why I feel it is so important to place on record the remarks of the Prime Minister on the subject of subventions on coal.

The Prime Minister spoke at a number of places and made commitments on this subject. He spoke at New Glasgow and Amherst in Nova Scotia and at Minto in New Brunswick. At New Glasgow on April 30, at a meeting at which Premier Stanfield of Nova Scotia had previously asked for an extension of coal subventions, the leader of the Conservative party said, and I quote from the Halifax *Chronicle-Herald* of May 1, 1957:

> If we form a government I tell you, Mr. Premier, there will be subventions for coal in these provinces, according to your request and to the demands of the people.

Hon. members will note there is no qualification about coal for power purposes.

Mr. MacInnis: Quote from Premier Stanfield the same evening.

Mr. MacEachen: Again at Amherst the Prime Minister reverted to the same subject to point out that the subventions on coal paid by the federal government were nothing more than a subsidy which Nova Scotians already had in order to compete with the central provinces, and he is reported by the newspaper I just mentioned as saying:

> What we want is coal subventions within the province.

In the light of this statement, Mr. Speaker, I suggest it is perfectly clear that the people of Nova Scotia had the right to expect that the new government would provide these subventions for all purposes and without delay. Indeed, the people of the province of New Brunswick were led to the same expectation because the Prime Minister, speaking in Minto, said:

> There should and must be a subvention on coal transported within these provinces for power purposes.

Later, speaking in Cambridge, Nova Scotia, on June 3, the Prime Minister stated:

> There is something strangely peculiar about the fact that Nova Scotia coal delivered in New Brunswick is higher in price than it is when delivered in Montreal. There is a need, and—

These are the significant words.

> —we undertake to supply that need by providing a subvention on maritime coal.

Not just a subvention, Mr. Speaker, on coal to be used for generating power but on all coal moving in the maritime provinces. The government has had an opportunity in the representation of the estimates to the house to widen the basis of the subvention

for coal but no action has yet been taken either on the movement of coal for power purposes or on the movement of coal for all purposes. Just recently, in reply to a question of mine, the Minister of Mines and Technical Surveys (Mr. Comtois) told us that no order in council and no new rate had been established for the movement of coal in the maritime provinces. This is a very important matter and could have been dealt with quickly by the new government without delaying and waiting for an opportunity for legislation because no legislation is required. If there is any hon. member opposite—

Mr. Harkness: The old government had 22 years to deal with it and did not do anything.

Mr. Pickersgill: We never made any such promise.

Mr. MacEachen: If there is any hon. member opposite who feels I have been unfair to the Prime Minister in asserting that his commitment was for all coal and not just for coal for power, then I refer that hon. gentleman to a statement made in Halifax on Saturday by the Minister of National Revenue (Mr. Nowlan) who stated, among other things, that the development of the coal industry through subventions on coal moving in the maritimes would be put into effect. On page 6 of the same newspaper he is quoted as having made the same statement.

Mind you, as the Minister of Mines and Technical Surveys knows, there is a good deal of difference in making a promise to put a subvention on the movement of coal for power purposes because in Nova Scotia each year about 400,000 tons of coal are moved for thermal power purposes in that province.

Mr. MacEwan: And there will be more very soon.

Mr. MacEachen: However, for all coal moved within the Atlantic provinces there is represented 55 per cent of the total coal produced in Nova Scotia which reaches about 3 million tons, and if we accept the suggested figure of $4 a ton for the per ton rate that is attributed to Premier Flemming of New Brunswick, it means the difference between about $1 million or $1.5 million and $12 million. Therefore the government should really make up its mind as to when, first of all, it will clarify this situation so far as the people of Nova Scotia are concerned, and once clarification is made it should use the power which it now has under legislation to put these promises made to the coal industry of Nova Scotia into effect without further delay.

Mr. MacInnis: Suppose you tell us what you know about the coal industry. Let us hear what you know about the coal industry.

Mr. MacEachen: I want to assure my hon. friends from Nova Scotia that their interruptions on this subject have no particular bearing either on the facts stated or the readiness with which their Prime Minister will carry out the pledges made to the people of Nova Scotia, some of which have likely resulted in their presence in the house tonight.

Mr. Harkness: You are merely complaining that we did not do in 17 weeks more than you did in 22 years.

Mr. St. Laurent (Quebec East): You promised in 17 hours more than we promised in 17 years.

Mr. Pearson: The record sounds pretty bad.

An hon. Member: Don't get your notes mixed up.

Mr. MacEachen: Mr. Speaker, I want to say a word now about the problem of trade because it is another problem concerning which the Conservative party has made quite a number of statements and about which there is much to be said by a member from the province of Nova Scotia. We know that the problem of trade has been under discussion in the house not only at this session but at preceding sessions. The most revolutionary statement made on trade, however, was made by the Prime Minister in which he suggested radical surgery and the shift of 15 per cent of Canadian purchases from the United States to the United Kingdom. The only reason I mention this statement is that later in the development of the subject the British chancellor of the exchequer suggested that consideration be given to establishing a free trade area between Canada and the United Kingdom.

The people of the province of Nova Scotia have always been interested in trade and our interest has never reached a concrete realization at any time since prior to confederation. As a matter of fact, the Minister of National Revenue, speaking in Halifax last Saturday, stated that it was the intention of his government to restore the conditions that existed prior to confederation. We know that the economic conditions which accounted for the prosperity of Nova Scotia prior to confederation and, indeed, up to 1878, were based upon free trade. Those of us who study history know as well that it was the members from the maritime provinces, particularly the

Liberal members, who prevented the introduction of a national policy of tariff protection until 1878. We know that 1878 signalized the introduction of that tariff policy and the gradual and eventual debilitation of Nova Scotia trade based on world-wide commerce.

We know as well that there was a great effort made in 1911 by Sir Wilfrid Laurier to re-establish a system of free trade between Canada and the United States. That period is still fresh in the minds of Nova Scotians, because again we lost our search for free trade. Today we are still waiting for the present Prime Minister to seize upon the opportunity presented to him by the British chancellor of the exchequer to establish free trade with the United Kingdom for Nova Scotia and all of Canada. As a matter of fact, the Prime Minister, speaking in Sydney just before the election, stated that the election of a Progressive Conservative government in Canada would mean a return to those policies which kept the maritimes in the forefront decades ago. Well, if the Prime Minister is really honest and sincere, as I think he is, he will realize that the only way that this condition can be restored is to take a courageous and statesmanlike attitude and really go forward with the British in establishing a system of free trade.

Before I came here, Mr. Speaker, I travelled through my constituency of Inverness-Richmond. In every part of that constituency I saw the lumber industry languishing because the British purchasers did not have the dollars with which to buy the products of Nova Scotia. If we had a system of free trade with Britain, the British manufacturers would be able to earn the dollars in Canada that would enable them to buy the goods of the primary producers in Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and the provinces on the west coast of Canada. I do not believe this proposal, which means so much to my province, should have been received by the shocked silence of the Minister of Finance, but should have been accepted as a whole-hearted response of the British government to assist the Prime Minister in his efforts not only to raise the standards in Nova Scotia but also to divert 15 per cent of trade from the United States to the United Kingdom.

Mr. A. B. Macdonald (Vancouver-Kingsway): Mr. Speaker, it is a pleasure, on behalf of the people of Vancouver-Kingsway, to take part in this debate. Vancouver-Kingsway is an area in southeast Vancouver, an urban area. The people come from many diverse national origins and cultures. They are thrifty and industrious, and I venture to say there is a higher percentage of home owners in Vancouver-Kingsway than in any other part of Canada. Vancouver, itself, is probably the most rapidly growing city in Canada. It might almost be called the Shangri-la of Canada, attracting people from all the other provinces to its climate, scenery and sunshine although I must admit that at this time of the year the liquid sunshine is more usual than the ordinary kind.

Vancouver may be said to be right at the centre of the crossroads of the world. Hon. members should not smile at that suggestion. It is half way between London and the orient; half way between Moscow and Latin America; half way between Ketchikan, Alaska and Tia Juana, Mexico; in fact, Vancouver is so central many important people say that they simply cannot afford to live anywhere else.

In taking part in a broad debate such as this, Mr. Speaker, in which so much can be said, I feel a little bit like the mosquito in a nudist camp; I don't know where to begin. However, begin I must, and I am speaking in support of the amendment moved by the hon. member for Rosetown-Biggar (Mr. Coldwell). What does that amendment do? The amendment welcomes the promises in the speech from the throne of increases in social security measures, as well as the promised tax relief. Certainly, we in this corner of the house are not going to be guilty of any obstruction. We want to see these measures on the statute books as quickly as possible. We are glad that the breakdown of parties in this house means that the long-forgotten people of Canada have to be given some consideration in so far as social security measures are concerned. We are pleased that neither of the old parties can, in this parliament at any rate, hide behind a large majority and disregard the needs of the people.

We do regret, however, that the increases proposed for old age pensioners, the blind, the disabled and the veterans, have not gone far enough to protect these people who are caught in the spiral of rising living costs. The other day the hon. member for Spadina (Mr. Rea), speaking on behalf of the Conservative party, charged the Liberals with bribing the electorate in the last election by promises of pension increases that amounted to no more than the cost of two cups of coffee per day. After all that campaign oratory and all those promises the Conservative mountain has now laboured and brought forth an increase equal only to the cost of three cups of coffee per day. Yet we have to be grateful for small mercies.

We cannot forget the glaring oversights in the speech from the throne. Surely, this new government cannot continue to turn a blind eye on the twin problems of inflation

and unemployment. How can anyone say that in this year of grace 1957 Canada can afford the human wastage involved in rapidly increasing unemployment.

When speaking last Friday night the Prime Minister (Mr. Diefenbaker) said unemployment was, to use his words, "not generally serious" in Canada. I can say, Mr. Speaker, that it is very serious in British Columbia. The latest official figures we have show that in September of this year unemployment in British Columbia, the Pacific area, stood at 29,800. The previous year the figure for unemployment was about half of that amount. In other words, it is twice as bad this year. Unemployment, even on that scale, is a social crime. Indeed, as Talleyrand, the famous French diplomat said, it is worse than a crime, it is a blunder. Today we are locked in a struggle with the totalitarian regime of the soviets for the hearts and minds of the uncommitted millions of Africa and Asia; a struggle for moral as well as material ascendancy. Unemployment has become something the western world simply cannot afford.

Neither can we afford inflation. In the last two years rising prices, like a thief in the night, have stolen from the pay envelope, from the shopping budget, from the bank account, as much as $5.50 of every $100. Even the vaunted pension increase which government members are heralding so much of $15, that is the Liberal and Conservative increase combined, when judged even in the light of prices as recent as 1949 is not an increase of $15 at all but only $4.70. In other words, in terms of the purchasing power of a dollar a short eight years ago the federal pension we are offered today is only $44.70; that is certainly not a large increase. This process of inflation, therefore, is not comparable to any petty theft at all, it is grand larceny. While prices continue to rise, to date the government has blandly ignored the whole problem, as though hoping it will go away if only no one notices it.

I think it is worse than that, Mr. Speaker. I think the government are relying on the classic solution for inflation of the orthodox economists, the solution of the big business and financial interests of Bay street, Toronto, and the other centres. What is their solution for inflation? Their solution is that to cure inflation you must have a little unemployment. They feel that if only there is not too much money jingling in the pockets of ordinary Canadians, then prices will level off. I believe that cure, of course, is worse than the disease. It reminds me of the doctors of olden times whose cure for any human ailment was to apply a leech and draw off a pint or two of blood from the body of the unfortunate patient. But who can say, in the kind of world in which we live today, that we can afford the national hemorrhage involved in thousands of unemployed, numbering among them our most skilled and productive workers.

Finally, the amendment moved by the hon. member for Rosetown-Biggar (Mr. Coldwell) calls attention to the need for social and economic planning. I do not think the government should any longer be afraid of those two little words "social planning". Surely the cure for inflation is not to have a little bit of unemployment but to plan investment capital both to protect consumer prices on the one hand and to maintain employment on the other. If the big interests which for the last 10 years have made of Canada a profiteer's paradise are not prepared to co-ordinate production and distribution in accordance with the abilities and needs of the Canadian people, then it is high time that this parliament with a united voice reminded them of their duties as well as their privileges.

In listening to the debate on cash advances to prairie farmers I could not help but connect that matter with the need for social planning. It is not that I hold myself out as an expert on farm questions. I think the hon. member for Rosetown-Biggar still gets a laugh when he recalls how 12 years ago when I saw a pile of straw on the prairies, I asked him why the farmers grew that. I think he told me that they grew it to hold up the heads of wheat. But while I am not a farm expert—in fact, far from it—I cannot help observing the folly of unplanned scarcity, free enterprise economics. Here is Canada with our granaries bulging with good foodstuffs and our people in need of many of the necessities for making a good life and there, for instance, is Japan hungry and anxious to exchange with us many of the goods which she can produce very well. Why can such an exchange not take place? Would not both countries be the richer for it? Of course they would. But how can that take place when here in Canada we are hard put to it to keep our own people at work, let alone receive goods from other countries.

The real issue surely must remain an issue between unplanned scarcity and planned abundance. I would therefore ask the government not to be afraid of those two little words in the amendment namely, "social planning". We wish them well in carrying out their responsibility to transact public business at this time. But they should be reminded that that is not only their right but their constitutional duty. There has been too much bantering talk from the government benches

in this parliament about a snap election. Even the Prime Minister, when he gets into some small corner or other, likes to threaten the house darkly with the possibilities of an election, while his excited but uninformed supporters pound their desks behind him. The Solicitor General (Mr. Balcer), speaking in Toronto not long ago, said that the Conservative party was already engaged in a federal election campaign.

However, Mr. Speaker, the people of Canada expect this government, like any other one, to carry out their constitutional duty, to forget electioneering politics and to attend to the transaction of that public business which they were elected to transact. Their constitutional responsibilities in this situation have been well defined by many authorities. Perhaps the foremost one is Canada's own Dr. Eugene Forsey who wrote a book entitled "The Royal Power of Dissolution". The opinion of the experts boils down to this.

Under the usages and conventions of our constitution, it is incumbent upon a government, including a minority government, to carry on with the transaction of public business unless they are defeated in the house or unless they meet obstruction in the house. This government, from what has been said, is not in sight of defeat in this house; and it could hardly be said that there has been any obstruction in the house. Indeed, all parties in the house have helped to see that their legislation has been quickly passed.

I therefore think it is well to remember that there is, in circumstances such as these, a constitutional duty to put the transaction of public business before the political expediency of the government party, even if it thinks it might gain political advantage from an early election. Not that we in this corner of the house—I think perhaps the hon. member opposite was going to say this —are concerned about an early appeal to the people. We are not boys to be frightened by gibes from the government benches. But nevertheless, loose talk about an election, and the kind of loose talk we have heard, seems to me to indicate that those who engage in it forget that this government, like any other one, was elected to transact public business and that as long as it can do so in this parliament, its duty is to carry on while this condition prevails.

Mr. Thomas (Middlesex West): You will not vote for the amendment, then.

Mr. Coldwell: Page Arthur Meighen.

An hon. Member: On loose talk?

[Mr. Macdonald (Vancouver-Kingsway).]

Mr. Coldwell: No; on the rights of parliament over a government regarding an election.

Mr. Macdonald (Vancouver-Kingsway): In this debate reference has been made to something of great concern to British Columbia, namely the fabulous profits that have been reaped by the natural gas pipe line promoters. The hon. member for Rosetown-Biggar placed on *Hansard* the other day an indictment of these interests that should not fall on deaf ears anywhere in this house. But what has the Conservative party done after all the election promises, after the campaign oratory in which they promised to protect the people of Canada from those whom they described as "piratical profiteers and buccaneers"? Their answer has been to set up a royal commission, the last resort of a government which wants delay, delay, delay. Here is what the *Financial Post* says—and it is a paper which should be close to Conservative thinking—about that royal commission. In its issue of October 19, 1957 there is a story headed "Tory move picks gas out of current politics" and it is therein stated:

> Politically the move is being looked at with great interest. The Conservatives made a lot of noise in the recent session against Trans-Canada Pipe Lines in particular, but most of them now think that the pipe line deal was pretty good.
>
> By setting up the royal commission, which may take months in its investigation, the Tories effectively take the pipe line out of current politics, and they have an answer to the C.C.F. which is expected to move for nationalization of the whole line.

There it is, the time-honoured or rather time-dishonoured method of getting a government off the hook. But even worse in this case, it is a method of getting the pipe line profiteers off the hook. For that commission, with its wide terms of reference, will take at least 18 months, I would say, to complete its hearings and make its report. Then how long after that will it be before the government contemplates action? Well after the next election, I dare say, as hon. members opposite are no doubt thinking. But by that time it will be too late and the millions of dollars in illicit profits that have been made by these pipe line profiteers will have been built into the gas rates charged to the Canadian consumer.

All across Canada the story of profiteering in this public service has been the same. It has been a story of profiteering on a scale that would make the robber barons of 100 years ago wet their lips with envy. A recent issue of *Time* magazine stated that the tax-free capital gains netted by the promoters of Trans-Canada up to July 1 of this year were estimated at $300 million.

That amount, going into a few pockets taxfree, is almost three times what this house voted a week ago as an addition to the old age security legislation and in almost every province of Canada the story has been the same—Quebec natural gas, Alberta Trunk, northern Ontario—all stories of private killings at public expense. All, I should say with the exception of the province of Saskatchewan which at the local level at least made sure that this public service has been put under public ownership for the benefit and under the control of the people it serves.

My province of British Columbia is particularly concerned with this problem. The company which services us with natural gas is the Westcoast Transmission Company; that is a company which is substantially controlled by a giant United States firm called Sun-Ray Midwestern Oil; also holding a substantial interest of course is Mr. Frank McMahon, the man the Conservatives favoured to receive the rights on the trans-Canada pipe line just a year ago. Westcoast gathers natural gas across the Alberta border and in the British Columbia-Peace river area and brings it down to the coast by pipe line, some 650 miles, to Vancouver and to a United States outlet at Huntington and by a branch line into the interior of British Columbia.

I would simply like to present to the house a few of the hard facts of this operation. First Mr. Frank McMahon was given an option to purchase 155,000 shares of the company at five cents a share. Before the line was open his profit on that transaction amounted taxfree to $5,600,000.

Second, the same Frank McMahon was given an option to purchase 200,000 shares of the company's stock at $6, exercisable at any time up to 1960. Before the line had opened he had made another profit of $6 million on that.

Third, a United States investment firm and some other United States firms were given the same options as above and netted a taxfree capital gain of $23 million.

Fourth, a firm owned by the big United States company, El Paso Company was given an option to purchase Westcoast shares at $5 per share. The option covered 1,128,000 shares and that netted them a capital gain of $35 million.

Fifth, the total of these capital gains made by the promoters of Westcoast Transmission adds up to the grand sum of $69 million. Now British Columbia is, in resources, a wealthy province, but that figure which will be paid for by the consumers of natural gas in that province, namely $69 million, is almost as much as the province collects for a whole year from its sales tax of 5 per cent.

Sixth, the board of transport commissioners has jurisdiction over Westcoast Transmission which crosses the Alberta border. It is interprovincial and while the Pipe Lines Act passed by this parliament makes as yet no provision for the control and regulation of natural gas rates no doubt that power will be given to the board of transport commissioners. However, how do they go about fixing a fair return to Westcoast Transmission? It will have to be a fair return on capital which includes that $69 million of watered stock. I do not know how you could have a fair return on watered stock, but that will be the way it will end up.

Seventh, with respect to Westcoast Transmission Company this is the last hard fact I have to offer. This United States controlled firm has entered into a contract with United States distributors to sell natural gas across the line at 22 cents per thousand cubic feet while at the same time it is selling the same natural gas to its British Columbia distributor at 32 cents per thousand cubic feet.

An hon. Member: Canadian gas?

Mr. Macdonald (Vancouver-Kingsway): Canadian gas. So I call upon the government as a constructive and forthright act of statesmanship to issue a declaration forthwith under section 92, 10 (c) of the British North America Act declaring natural gas pipe lines in Canada to be works for the general advantage of Canada or the advantage of two or more provinces. That was one of the solutions: i.e. public ownership, advocated in this house by the Conservative party not a year ago. If they wish to redeem their promises of that time they will quickly transfer these companies into public services, of the people, by the people and for the people.

I was pleased that the throne speech mentioned a national development program to be carried out in co-operation with the provinces. Again that is a matter of concern to my own province which is a treasure house of potential mineral, timber and water resources. The speech from the throne mentioned the Columbia river development particularly and yet there have been two stumbling blocks. There have been negotiations going on with the United States authorities with respect to compensation for down stream benefits and there have been protracted negotiations with the British Columbia government as to the financing involved and the form the enterprise would take.

It is a great pity that we have heard of no progress in these negotiations with the United States authorities since May 20 of this year when the last conference at the ministerial level broke up without result. Surely Canada, in a matter of such concern to one of her provinces as this, should not be without some bargaining power in dealing with the United States authorities. In connection with the second matter I am sure the majority of the people in British Columbia think this enterprise should take the form of public hydro. It should hardly be necessary any longer in this house to defend public hydro as against private hydro. The success of the Ontario hydro commission and of the Tennessee Valley authority with its vast complex of irrigation, power, conservation and industrial development, have conclusively proved that public power is cheaper power and that public hydro is closer to the needs of the region and of the people it serves.

In my own province of British Columbia that is borne out very dramatically by the electricity rates we pay. In Manitoba with public hydro and scarce water resources the average cost per kilowatt hour is three-quarters of a cent while in British Columbia under private hydro and with lots of water resources we pay an average rate per kilowatt hour of 2.1 cents.

Mr. Hahn: How much is it under the British Columbia power commission?

Mr. Macdonald (Vancouver-Kingsway): The power commission unfortunately under a free enterprise minded government has been starved and not allowed to operate or move into the rich areas where they would really have an opportunity to bring down the price of electricity.

Mr. Stefura: How much is it in Saskatchewan?

Mr. Macdonald (Vancouver-Kingsway): Saskatchewan rates are far below those in British Columbia.

An hon. Member: How about Alberta?

Another hon. Member: That is a good question.

Mr. Macdonald (Vancouver-Kingsway): So we ask that the government proceed with this national development program as promised and I suggest it is one of the things that should be put upon the statute books and under way before this government thinks of holding an election.

There is another matter of importance to British Columbia under the heading of national development. North of the Peace river area lies the Rocky mountain trench. The people of Texas say that they carry out things in a big way; they do nothing on the scale on which it is done in British Columbia.

An hon. Member: Smalltime operators.

Mr. Macdonald (Vancouver-Kingsway): The British Columbia government has given a reserve with first rights out of that reserve to the Wenner-Gren interests, amounting I think to 71,000 square miles.

No TV give-away program can match that, and yet the federal government is involved and has a responsibility because the Peace river, of course, flows over the Alberta border and up into the Northwest Territories. Therefore I repeat again, let this national development program in co-operation with the provinces include the development of Peace river power if that is feasible from an engineering and financial standpoint at the present time. Concerning the question of whether or not it is feasible, let the engineers of the department of national resources give their opinion as well as those of the Wenner-Gren interests.

What is this Wenner-Gren foundation? Some kindly souls have suggested that it is a charitable or philanthropic organization. Of course it is nothing of the kind. Wenner-Gren himself was blacklisted in the last war for trading with the Nazi enemy. Much of the wealth he made which poured into British Columbia came from munitions produced in the last war. Fortunately for him, but unfortunately for the province of British Columbia, one of the three directors of Wenner-Gren in that province is a man who is also the head of the P.G.E. railway of the government of British Columbia and the financial wizard behind the Social Credit party there.

There should be no difficulty, Mr. Speaker, about the public financing of a hydro-electric development program that has been proved to be sound in an engineering way and in a financial way, and if this national development program means what I hope it means then we should move to help safeguard in co-operation with the provinces some of the equity of the people themselves in their natural resources.

I said earlier that we in this parliament have a heavy responsibility to legislate not only for the welfare but indeed for the safety of Canada. It would be madness to underestimate the scientific and technological progress of the soviet union in throwing artificial moons into the firmament, or to ignore their military and political implications. It is not so much that we need fear war itself. We can dare to hope that General Partridge in Colorado Springs will never have

to push that button that will mean annihilation for victor and vanquished alike. But those who hold precious the rights of free discussion and inquiry can lose in ways other than war if the uncounted millions of Africa, Asia and the Middle East turn not to the west or the United Nations but to the east and to the soviet dictatorship.

How can the west safeguard its position? Not by piling up new and more dreadful weapons of war. Arms alone will not save us. What we must do is recreate our society as a model embodying the human ideals of equality, freedom and fellowship upon which the peoples of the world can look with inspiration and affection. We have a long way to go toward these ideals, away from the crass materialism, dollar worship and false values of a profit driven society. There will be no excuse for us if we fail to read the signposts and plot our direction accordingly.

In this connection I cannot help but be concerned about the remarks made by irregular members of the Conservative party in various parts of Canada who seem determined to tear down and dismantle national television and broadcasting under the C.B.C. They would turn it over to the hucksters. Mr. Speaker, there is no quicker way to debauch the mind and soul of a nation than by turning over to commercial advertising interests the control of broadcasting and television. It is not that the C.B.C. cannot be improved and brought closer to the communities it serves, but I would express the hope that the Minister of National Revenue (Mr. Nowlan) who states that he is going to introduce legislation affecting the C.B.C. will give due consideration to the facts and recommendations contained in the Fowler report.

With that I conclude as I began, by urging the government to adopt the amendment of the hon. member for Rosetown-Biggar. It is certainly later than we think, and none too soon to awaken in our people a driving social purpose that will enable us to meet the dangers as well as the opportunities of the world in which we live.

Mr. J. A. McGrath (St. John's East): Mr. Speaker, in speaking to the motion for an address in reply to Her Majesty's speech from the throne, I would first of all like to take this opportunity to pay tribute to a former member of parliament who is now deceased, Gordon F. Higgins, Q.C., O.B.E., whose death on October 13 last after a long illness came as a great shock to us in Newfoundland. He was the first member of this house for the constituency that I now so humbly represent. Mr. Higgins during his tenure of office from 1949 to 1953 was widely known and respected by members on both sides of the house and his voice, speaking on behalf of Newfoundland and Newfoundlanders was a familiar sound in this chamber.

Gordon Higgins, like his father before him, played a very important role in Newfoundland politics. In 1946 he was elected to represent St. John's East at the national convention which was convened in St. John's by the British government to decide the political future of Newfoundland. He was, like many of us in Newfoundland, vigorously opposed to confederation, not in principle but in the way it was being brought about, and like many of his colleagues he advocated that if terms were to be negotiated with Canada these terms should be negotiated by our own elected government, between two sovereign states and not two political parties.

When the votes of the second referenda were tabulated and confederation with Canada won out by some 6,000 votes Mr. Higgins offered himself as a candidate to represent St. John's East at Ottawa. He did this because he felt that in the House of Commons he would have a chance to continue the fight for his beloved island home. Although he polled a good majority of the votes cast in the election of 1953 he was defeated by a split vote. From then on his health began to fail. His death came as a sad blow and I am sure that hon. members on both sides of the house who knew the late Mr. Higgins will join with me in extending deepest sympathy to his bereaved family.

Some hon. Members: Hear, hear.

Mr. McGrath: Following in the footsteps of my illustrious predecessor on this side of the house I, too, intend to raise my voice—perhaps in humility—on behalf of my constituency and the people of Newfoundland generally.

Before continuing with my remarks I wish to join with hon. members who have preceded me in this debate in extending to the Speaker and to you, sir, congratulations on your elevations to the very important posts of Speaker and Deputy Speaker. I would also offer my congratulations to the hon. member for Calgary South (Mr. Smith), and the hon. member for Bonaventure (Mr. Arsenault) for doing such an admirable job in moving and seconding the motion for an address in reply to the speech from the throne.

It was on August 3, in the year 1583, that Sir Humphrey Gilbert landed in St. John's with a charter from the first Elizabeth. A few days later, on August 5, in the same year, Gilbert made preparations on the site of what is now the Queen's beach in St. John's and which constitutes part of my constituency

of St. John's East. At an appointed time he proceeded to this spot where his officers, masters of the fishing fleet and many local merchants were assembled—and remember, hon. members, this was in the year 1583—he then read his commission from Her Majesty, Elizabeth I, and after so reading his commission a piece of soil was dug on the spot and together with a twig were presented to Sir Humphrey as a symbol of English sovereignty over the new found land. Thus, sir, was established Britain's oldest colony. And today, in speaking on the motion for an address in reply to the speech of Her Majesty Elizabeth II I wish to affirm on behalf of Britain's oldest colony and Canada's youngest province her undying loyalty to Queen Elizabeth.

The province that I represent in this house, Mr. Speaker, together with my hon. colleague in the government and those hon. gentlemen on the other side of the house, has been a partner in the Canadian federation for eight years. The success of this union has yet to be proven, sir, and no one expected otherwise. If we are to measure success in terms of geographical or financial advantages only, then, yes, has it been a comparative success. Geographically speaking, Canada is now one from sea to sea. But these things alone, sir, or together, cannot complete the picture.

Newfoundland came into confederation with no thought of being a junior province and least of all of being second-rate citizens. And, sir, in fairness to the government that I have the privilege to support, I wish to imply that such was not their intention. However the best intentions sometimes are not enough, and I must state here that the union of my province with the other nine provinces of this nation was perhaps founded on the best intentions. But governments, sir, like people, have their human failures and if I pursue a slightly critical theme at this time, Mr. Speaker, I pray the hon. members of this house will accept it in the spirit that it is offered; that it not be interpreted, sir, as bitterness on my part or on the part of the riding which I so humbly and proudly represent in this House of Commons.

Newfoundland, sir, in its turbulent and tragic history has gone through a series of misfortunes that would break the spirit of a lesser people; yes, suppression of even the barest minimum of human rights, the denial of personal freedom to a degree unknown in the western hemisphere and brutality of massive proportions; injustice, that was motivated by the horrible greed of merchants interested solely in reaping the rich harvest from the seas that ring our 6,000 miles of coastline.

[Mr. McGrath.]

It was in such an atmosphere, Mr. Speaker, that Newfoundland struggled for survival and hon. members will do well to remember that those conditions existed not in the 16th century, not in the 17th century, but in the 18th and 19th centuries. When the rest of North America was making glorious strides in all aspects of human endeavour military governors ordered gallows erected as symbols of fear in Newfoundland. When courts of justice in other parts of North America were serving the people with impartiality and fairness a man's hand was seared in Newfoundland with a red hot iron for stealing a sheep so that his family might eat. When the bill of rights was a historical document, and when the fathers of confederation laid down the course of action for this federation, Newfoundlanders were still struggling under the suppression of greedy merchants. Indeed, sir, it was unlawful for them to cultivate the soil of their adopted land.

May I be permitted, Mr. Speaker, to quote the way in which one impartial historian has put it:

> Modest and unpretentious as is its story, no student of history can set it aside without feeling strangely moved at the wonder of human pertinacity in creating from "a great ship" an amazing colony which, in spite of inherited weaknesses and economic disabilities, stands today as a great testimony to the power of a people to nullify Britain's greatest experiment in retarded colonization.

This, Mr. Speaker, was the historical misfortune of Newfoundland. If I strive a little harder or perhaps speak a little stronger or even urge a little more vehemently than most hon. members have done in their maiden speeches I do so, sir, with the knowledge that Newfoundland has not yet caught up; that even in 1957, eight years after confederation that was to solve all her problems, we still do not have sufficient hospital beds to meet the barest minimum requirements of our people. Our institutions are dangerously overcrowded, resulting in our people not getting the full advantages of the modern advances in medical science. Our communications are still pitifully inadequate, with many of our people still living in almost total isolation. Our schools, too, fall far short of the barest minimum requirements; and this, Mr. Speaker, coupled with the teacher shortage, I am sad to say, is one of the more serious problems we are faced with in Newfoundland today.

If I may be permitted to use Nova Scotia for comparison, in the province of Nova Scotia there are some 1,500 miles of paved highways while in the province of Newfoundland, which is more than twice the size of Nova Scotia, there are no such highways, only secondary roads which in most cases

do not even measure up to the standards of secondary roads. After eight years of confederation and the relative prosperity which accrued to Newfoundland as a result of the second world war, one still cannot drive across the island of Newfoundland. The Canadian National Railways system, which operates the antiquated, narrow-gauge line, is still the only means of transportation from east to west, in spite of what Mr. Smallwood may have tried to convey to the contrary. And, Mr. Speaker, the folly of it all is that our fisheries, sir, which we have always taken pride in, and which form the backbone of our economy and which are basically our chief resource, have been grossly neglected.

In order to rectify this situation, Mr. Speaker, the present provincial government, no doubt with the best intentions, started on an ill-fated industrial development program which for the greater part I must reluctantly state has met with dismal failure.

Let me hasten to dispel the idea, Mr. Speaker, that my words might convey. Eight years of confederation have been of tremendous importance to Newfoundland. Indeed, rapid strides have been made in trying to catch up with the maritime provinces but we still have a long way to go, and our own provincial government confesses that we are still some 35 years behind the province of New Brunswick. I am convinced, sir, that the government I support will approach our problems realistically and will help Newfoundland find her way in the Canadian family.

There are many people, Mr. Speaker, who looked upon confederation as the immediate solution to all our problems. But, sir, I submit that the joining of two peoples is never that simple, and the original terms of union, which unfortunately have proven most inadequate, could never convey, much less find, a solution for the complex problems that arise in the struggle to belong to a greater economy, to become truly Canadian in every sense of the word, to share in the prosperity of a great nation.

All hon. members in this house with the exception of my Newfoundland colleagues—I stress the word "Newfoundland" and not those who would find in our hospitable shores political refuge—have been born Canadians. You know the heritage of Canada in its fullest meaning. Yes, indeed, you feel the pride of being a Canadian beat within your hearts. You glory in all that is great in the past and you look forward to a future that holds great promise. That is what is making this nation profoundly respected in the world today. I, sir, feel the same way but not quite as you do because in terms of being Canadian we are less than nine years old. There are some 425,000 new Canadians of the finest British stock who are still learning, still striving to understand what being truly Canadian is, and surely there is more to it than family allowances.

The people of my province are proud, perhaps stubbornly so, and if they cling to the past with one hand and grope for the present and the future that is most uncertain, they are not to be condemned. The past, sir, is their history, a history of a people struggling for survival against sometimes insurmountable odds. After eight years they are just beginning to grasp the true feeling, the real significance of belonging to a nation that is truly great. It is only now, Mr. Speaker, that our children are learning from their textbooks the greatness of Canada from the Atlantic to the Pacific, with its glorious history and the promise of an exciting future. These young Newfoundlanders when they come of age will, I pray, be truly Canadian just as the concept of union of our two countries becomes truly of age.

I am in this house, Mr. Speaker, to contribute what I can to the governing of Canada. My days here will be humbly dedicated to the principles of good government. But in contributing to the over-all picture I must of necessity be specific in my thinking. We in Newfoundland know little of the problems facing the wheat farmers in western Canada and until we have achieved that equality of opportunity which is ours by right of union we must of necessity confine ourselves to our own specific and peculiar problems.

In terms of comparison Newfoundland today is Canada's third largest market. If I may illustrate that point, just prior to confederation we imported from Canada $50 million of foodstuffs. Six years later our imports from the Canadian mainland were up to $200 million. The food we eat, the clothes we wear, the things we use to make life a little more pleasant, we buy from the Canadian mainland. That is why I feel that we too are important to the over-all economy of this nation, and that is why, sir, I am in this House of Commons.

My riding of St. John's East has many problems but they are so interwoven with the over-all problems facing my province that I must speak for the most part in general terms. Right now Newfoundlanders are faced with rising unemployment. Our fresh frozen fish industry has been hard hit by a falling demand, which coupled with the Jamaican situation has resulted in many fish plants having to close their doors with unemployment as the net result. As a result of these fish plants closing hundreds of our people are actually on relief.

Indeed, sir, the anti-inflationary policy of the previous government has resulted in construction, which contributes a great deal to the economy of a growing province, being down 50 per cent compared with last year, with unemployment as the net result. The problems besetting the pulp and paper industry, which are well known in Canada, are proving disastrous for Newfoundland. A serious reduction in the output of our two paper mills has also contributed to the widespread unemployment.

In other parts of Canada the depression of one industry can usually be absorbed by another industry, but this is not so in my province. In Newfoundland there are no other industries in spite of the policy of the present provincial government. With regard to mining, Newfoundland is barely holding its own, but here too there are disquieting rumblings from the United States that it must protect its own base metal industries with higher tariffs.

It is not a pretty picture I present to the house, Mr. Speaker, but were I to do otherwise I could not face my people for I would be guilty of fraud and deception. In Newfoundland today there are more than twice the number unemployed as there were at this time last year. The government must take grave note of this situation. Social security benefits—here I must interject how pleased we were to know that the government had brought in legislation to increase old age security benefits—were not intended to be the sole source of revenue for any Canadian. On the contrary, they were merely intended to augment. But, alas, in Newfoundland there is nothing to augment in many cases. As a matter of fact, many hundreds will be unable to receive unemployment insurance benefits because the available work during the past year was not sufficient to entitle them to benefits, and here we are only just approaching the height of seasonal unemployment.

I am particularly pleased to note the establishment of a greater number of unemployment insurance offices in Newfoundland. I believe that through this greater coverage the problem of unemployment will be greatly eased. During the coming winter months, I believe that this government, with all possible haste—and I know it will—must institute a program of action that will alleviate the desperate unemployment situation which is rapidly growing now in Canada as well as in Newfoundland.

In the fisheries of Newfoundland there lies our greatest promises for the future. The federal Department of Fisheries must concern itself more actively in the peculiar and varied problems of the Newfoundland fisheries. It must find a market for fish products, not only abroad but amongst Canadian consumers. It must help to provide a scientific approach so necessary to the actual procurement of fish and so necessary for better production and better marketing. Indeed, it was the proud boast of Premier Smallwood's government that he was going to take Newfoundlanders out of fishing boats and place them in new industries. Undoubtedly, his intentions were sincere. I submit, however, that this has proven to be the greatest folly. We in Newfoundland must unite, in conjunction with the government of Canada, to reverse this trend which is so obviously doing so much damage, and pursue a more vigorous and determined policy of fishery development.

In closing I should like, Mr. Speaker, to speak briefly on the transportation problems that beset Newfoundland and that are contributing to making our cost of living higher than that of any part of Canada, I repeat, higher than that of any other part of Canada. The Canadian National Railways system which operates in Newfoundland is not a gift from Canada. Hon. members should please bear this in mind. The Newfoundland Railway, with its rolling stock, its coastal fleet and its various other facilities, was handed over to the Canadian government to be operated by the Canadian National Railways system. I say this, sir, to dispel from the minds of hon. members the fact that Canadian National Railways is one of the benefits that have accrued to Newfoundland from union. As a matter of fact, today our railway system is little better than it was ten years ago. The only thing that has been added is the ill-fated and infamous *William Carson*.

I submit, Mr. Speaker, that Newfoundland is an island and until the trans-Canada highway is completed and the *William Carson* functions as she was intended, our highway is still the sea. I would, therefore, point out that we in Newfoundland, and particularly in eastern Newfoundland, are prayerfully awaiting word of the decision of the government on the proposed development of St. John's harbour. This development would mean that a greater volume of freight could be handled in St. John's at considerably less per ton. In due course, this would result in a decrease in the cost of living.

The revision of the terms of union of Newfoundland and Canada, as called for in clause 29 of the terms of union, is now in the hands of a royal commission. The findings of that royal commission will probably be tabled in

the house within the next year. I would, therefore, ask hon. members to recall the importance of this report when it is tabled in this house, and to bear in mind that the final chapter in confederation, as visualized by the fathers of confederation, will not be written until Newfoundland's case is finally settled and Newfoundland is given her just dues. With your leave, sir, I would read to the house clause 29, which has been called Newfoundland's court of last resort:

> In view of the difficulty of predicting with sufficient accuracy the financial consequences to Newfoundland of becoming a province of Canada, the government of Canada will appoint a royal commission within eight years from the date of union to review the financial position of the province of Newfoundland and to recommend the form and scale of additional financial assistance, if any, that may be required by the government of the province of Newfoundland to enable it to continue public services at the levels and standards reached subsequent to the date of union, without resorting to taxation more burdensome, having regard to capacity to pay, than that obtaining generally in the region comprising the maritime provinces of Nova Scotia, New Brunswick and Prince Edward Island.

Here, sir, lies the hope, the dreams, the desires of 425,000 new Canadians of the finest British and Irish stock who want to be part of this nation but who do not intend to be second class citizens.

Mr. A. P. Lavigne (Stormont): Mr. Speaker, it seems I am running out of time. I wish to congratulate you on your appointment and the manner in which you have presided over the deliberations of this house to date. I should like also to extend my congratulations and good wishes to the chairman and vice-chairman of committees, to the Prime Minister (Mr. Diefenbaker) and the members of his cabinet. My congratulations also should go to the hon. member for Calgary South (Mr. Smith) upon the manner in which he acquitted himself of his task.

(Translation):

Mr. Speaker, may I offer my sincere congratulations to the hon. member for Bonaventure (Mr. Arsenault), for the manner in which he carried out his task.

I should also like to seize this opportunity of thanking the people of Stormont county for again showing their faith in me by sending me to this house. I can assure you, Mr. Speaker, that I intend to represent them as worthily as I can and with all means at my disposal.

The difficulties facing the people of my riding have increased in the last few months, particularly in the matter of unemployment. A great number of them are now jobless and afraid of the coming winter. We may therefore have some reason to feel concern for the business people and municipalities whose responsibility it will be to provide for the needs of those unemployed during the winter season.

The outlook is alarming, not only for the textile industry, the pulp and paper mills, but also for our farmers who make up thirty per cent of the people in my riding. That is why, Mr. Speaker, I propose to discuss these matters in my speech.

(Text):

I should like to bring to the attention of the government the disastrous hail and wind storm which caused such heavy losses to the farmers of Roxborough, Finch and Cambridge townships on July 3. In some cases they have had a total loss of their grain, hay and garden crops. The area of damage covered a considerable amount of land, about 3,542 acres. If one bears in mind the small size of eastern farms, one can imagine the number of people who were affected.

We are concerned with unemployment, and rightly so, but these farmers have put in hours of work, made an expenditure for seed and still find themselves without revenue. I believe some sort of legislation should be introduced to obviate the necessity of our primary producers being faced with such a problem again.

The county of Stormont is well known for its production of cheese, both for the quality and the quantity. Year after year our producers are bringing honour and recognition to the county of Stormont. A few weeks ago I attended a cheese producers' meeting and they were greatly concerned by reports that the provincial government was giving consideration to abandoning their cheese price support. The price support on cheese at present is carried by the federal government to the amount of 24 cents and by the province to the amount of 10 cents. This support permits the cheese board to borrow money to buy surplus stocks during the high production season and give better stabilization to year-round prices.

I must point out here that the government price support has not cost the provincial or federal governments much money to date. I hope that if the provincial government of Ontario decides to discontinue its support the federal government will accept the full responsibility of the price support which has been a source of reassurance and a guarantee of revenue for our cheese producers.

In the city of Cornwall we are concerned with the growing unemployment when we compare figures with those at the same time last year. We find that unemployment has risen considerably in the last two months,

compared with figures for corresponding months last year, in spite of the fact that pipe line construction has given employment to a good number of our citizens.

I should like to draw the attention of the government to the conditions which exist in our textile industry, and I refer more particularly to the manufacturers of cotton and rayon goods. I believe that the government has a duty to take its stand on tariffs—

Mr. Speaker: It is my duty to inform hon. members that it is now 9.45 p.m.

Mr. Lavigne: Mr. Speaker, I should like to tell the house that I am extremely glad to announce that the textile strike in Cornwall has been settled.

Mr. Speaker: I am sorry to interrupt the hon. member but, it being 9.45 o'clock p.m., it is my duty, pursuant to section 3 of standing order 38, to interrupt these proceedings and forthwith put the question on any sub-amendment now before the house.

The house divided on the amendment to the amendment (Mr. Low) which was negatived on the following division:

YEAS

Messrs:

Blackmore
Christian
Hahn
Hansell
Holowach
Irwin
Johnston (Bow River)
Leboe
Low
McLeod
Olson
Patterson
Smith (Battle River-Camrose)
Stefura
Thompson (Edmonton-Strathcona)
Yuill—16.

NAYS

Messrs:

Aitken, Miss
Anderson
Argue
Arsenault
Balcer
Barbes
Barnett
Batten
Bell (Carleton)
Benidickson
Blanchette
Boivin
Bourget
Bourque
Brassard
Broome
Bryce
Bryson
Byrne
Cameron
Campbell (Lambton-Kent)
Casselman
Castleden
Cathers
Cauchon
Chabot
Charlton
Chevrier
Chown
Churchill
Coates
Coldwell
Comtois
Courtemanche
Crouse
Deniset
Diefenbaker
Dumas
Ellis
Fairfield
Fisher
Forgie
Fraser
Gardiner
Gauthier (Lake St. John)
Gauthier (Portneuf)
Gingues
Gour
Green
Habel
Haidasz
Halpenny
Hamilton (Qu'Appelle)
Hamilton (York West)
Harrison
Hees
Henderson
Herridge
Houck
Howard
Howe
Huffman
Johnson (Kindersley)
Jung
Kennedy
Kirk
Knowles (Norfolk)
Knowles (Winnipeg North Centre)
Kucherepa
LaCroix
Lambert
Landry
Lavigne
Leduc (Gatineau)
Lesage
Lewry
Loiselle
MacDonald (Antigonish-Guysborough)
Macdonald (Vancouver-Kingsway)
Macdonnell
MacEachen
MacEwan
MacInnis
Macquarrie
MacRae
McBain
McCleave
McCullough
McDonald (Hamilton South)
McGee
McGrath
McIlraith
McIvor
McMillan
McPhillips
McWilliam
Maloney
Mandziuk
Marler
Martin (Timmins)
Martini
Milligan
Monette
Monteith
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Murphy (Westmorland)
Noble
O'Hurley
Pearkes
Pearson
Pickersgill
Ricard
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Robinson
Rowe
Rynard
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schulz
Simpson
Smith (Lincoln)
Smith (Simcoe North)
Starr
Stewart (Winnipeg North)
Stick
Stinson
Taylor
Thomas (Middlesex West)
Thrasher
Villeneuve (Glengarry-Prescott)
Villeneuve (Roberval)
Walker
Winch
Winkler
Wratten
Zaplitny—139.

On motion of Mr. Pickersgill the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Chevrier: Shall we proceed with this debate tomorrow?

Mr. Green: Mr. Speaker, we intend to continue with this debate tomorrow.

It being five minutes after ten 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:

TRACADIE R.R. NO. 1, N.B.—TENDERS

Question No. 121—**Mr. Robichaud:**

1. When the rural route Tracadie R.R. No. 1 was introduced, were public tenders called?
2. If so, was the contract awarded to the lowest tenderer?

Answer by: **Hon. W. M. Hamilton (Postmaster General):**

1. Yes.
2. Yes.

ALLARDVILLE R.R. NO. 2, N.B.—TENDERS

Question No. 122—**Mr. Robichaud:**

1. Were public tenders called for the rural mail Allardville R.R. No. 2 from Allardville to Butte d'Or?
2. If so, was the contract awarded to the lowest tenderer?

Answer by: **Hon. W. M. Hamilton (Postmaster General):**

1. Yes.
2. Yes.

HOUSE OF COMMONS

Tuesday, November 12, 1957

The house met at eleven o'clock.

ATOMIC ENERGY

PROPOSED INTERNATIONAL CONFERENCE OF REPRESENTATIVES OF SCIENCE

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): May I direct a question to the Prime Minister. Will the Prime Minister encourage and the government assist in arranging a broad international conference of scientists to discuss the dangers of thermonuclear war, as proposed in a letter signed by six of the Soviet union's outstanding scientists and quoted in the leading editorial of the New York *Herald Tribune* of November 8?

Is he aware that the proposal has been endorsed by the editor of the bulletin of the atomic scientists and approved by Mr. Cyrus Eaton, who arranged the Pugwash scientific conference last summer?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the hon. member was kind enough to do me the courtesy of sending me notice of his question, together with the editorial in the New York *Herald Tribune,* and also the observation thereon by Mr. Cyrus Eaton.

From a perusal of the editorial I conclude that the proposal made by the scientists of the U.S.S.R. was one outside of governmental consideration. Apparently a number of U.S.S.R. scientists suggested that it would be helpful if the atomic scientists of all countries and representatives of other disciplines, biologists, medical scientists, philosophers, economists, historians, sociologists and educators, could meet to express their weighty opinions in a broad international meeting of the most important representatives of science. Later on in the course of the letter these words appear:

> The danger which hangs over mankind because of the possibility of using atomic energy for war purposes is common to all countries independent of their political and economic systems.

There is nothing in any way to prevent such a meeting under the auspices of any of the nations in respect of which representation by scientists would take place. The basis of the meeting would be similar to the meeting convened in Pugwash, Nova Scotia, by Mr. Cyrus Eaton, at which representatives of various nations met and discussed international and scientific problems. This is not a conference for governments. It is one for scientists, and I would simply say that everything that can be done should be done to bring about peace in the world. If the scientists choose to meet I am sure there would certainly be every approval by the free nations. Further than that I cannot go at this time, for it is not a matter of national government consideration.

Mr. Coldwell: May I ask a supplementary question. The point of my question was, will the government encourage and assist as far as its ability goes? I notice that Mr. Cyrus Eaton, in the article to which I referred and which I sent the Prime Minister, suggests that encouragement might be given by Canada and the conference might be held in Canada. The point of my question is, will the government encourage and to the extent that is possible assist in the organization of such a conference? I think we have scientists in Canada connected with the Chalk River project and the national research council who might be encouraged to join in organizing such a conference.

Mr. Diefenbaker: Mr. Speaker, up to the present time there has been nothing official in this connection except for a reference in the press to a suggestion made by certain scientists of the U.S.S.R. I would not want to go further at this time until an invitation was actually received by Canadian scientists. I notice that Mr. Cyrus Eaton says that such a conference would probably be held in Canada, the West Indies or India. Then he goes on to say that perhaps Canada might be the place of meeting. Certainly there was no interference in any way by the government of Canada with Soviet scientists coming to Canada to the conference convened by Mr. Eaton, and subject to any eventualities in the meantime I am sure the same attitude should be exhibited by the government in reference to any bona fide effort being made by scientists to discuss the problems of today and arrive at some solution which would ensure coexistence and peace in the world.

Inquiries of the Ministry

EXTERNAL AFFAIRS

INQUIRY AS TO INTERNATIONAL CONTROL OF OUTER SPACE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question either to the Prime Minister or to the Minister of Transport, inasmuch as it may be that the international civil aviation organization would be involved. Is the Canadian government giving consideration to the desirability of seeking international conventions or agreements regarding the launching of satellites and space travel, in the hope that mankind's activities in outer space might be on a co-ordinated basis?

Hon. George H. Hees (Minister of Transport): We will certainly give the hon. member's question consideration and study.

Mr. Knowles (Winnipeg North Centre): May I ask a supplementary question. Has anything been done with regard to this matter under the aegis of the international civil aviation organization as yet?

Mr. Hees: Not so far as I know.

PUBLIC BUILDINGS

OTTAWA—REPORTED POSTPONEMENT OF CONSTRUCTION OF POSTAL HEADQUARTERS

On the orders of the day:

Mr. J. O. Gour (Russell): I should like to direct a question to the Minister of Public Works. I read in a newspaper last Friday that the plans for the new post office headquarters building, which was to be built on Riverside drive, have been shelved indefinitely. The heading of the article is, "Tories Cancel Plans for New Post Office H.Q." I should like to know if that is right.

Hon. Howard C. Green (Minister of Public Works): I am very sorry, but I did not hear the hon. member's question. I will take it as notice.

Mr. Gour: I will send the minister the article so that he may understand the question.

[*Later:*]

Mr. Gour: I should like to ask the Minister of Public Works a question. Since he did not understand my question, will he read it and give me an answer now?

Mr. Speaker: Will the hon. member wait until the question just asked has been disposed off?

Mr. Gour: I asked a question of the Minister of Public Works and he said he did not understand me. I sent my question to the minister, and he should be able to read it.

Mr. Speaker: The minister has taken the hon. member's question as notice, and it will be dealt with.

OTTAWA—REPORTED POSTPONEMENT OF CONSTRUCTION OF NATIONAL DEFENCE HEADQUARTERS

On the orders of the day:

Mr. J. O. Gour (Russell): I should like to ask a question of the Minister of National Defence; it is the same question.

Mr. Speaker: Order.

Mr. Gour: I have read—

Mr. Speaker: Order. The hon. member has put me on notice that he is asking the same question, and I must rule him out of order. If he is asking a different one he should have said so.

Mr. Gour: It is on the same subject but it is a different question. The Ottawa *Journal* reports that the Minister of National Defence has ruled out the possibility that construction of the pentagon is to begin this year. I should like to know whether or not that is true.

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, I think I should give the same answer as that given by the Minister of Public Works.

Mr. Gour: Therefore, Mr. Speaker, it seems to me that they like to put more people out of work. One hundred per cent more people are out of work just now, and this is what they want to do.

Mr. Speaker: The hon. member knows that he should not comment on the answer he has received, or the lack of an answer. Both these questions have been taken as notice, something which is the right of the minister.

OLIVER, B.C.—PROPOSED NEW FEDERAL BUILDING

On the orders of the day:

Mr. F. C. Christian (Okanagan Boundary): I would like to address a question to the Minister of Public Works, notice of which has been given.

As the present post office building in Oliver, British Columbia, is not large enough for the efficient handling of the mails, and as the fruit inspection offices and the Veterans' Land Act personnel are housed in very poor quarters, what plans have the government for an improvement of the existing situation? Is a new federal building for Oliver contemplated and, if so, when?

Hon. Howard C. Green (Minister of Public Works): The hon. member was kind enough to give me notice of this question. Consideration is being given to the erection of a public building in Oliver, but I am not in a position to say just when that can be done.

HOUSE OF COMMONS

SUGGESTED AMENDMENT OF STANDING ORDER RESPECTING PRAYERS

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Prime Minister and I do so with all due respect to your duties, Mr. Speaker, at the start of each sitting day. Would the government give consideration to the amending of the standing orders so that arrangements may be made to have clergymen of the various religious denominations read the prayers at the opening of each sitting day of the house, in order that all hon. members may have the opportunity of having at some time prayers read by a member of their own faith and in order that each religious denomination may be able to give the house its blessing?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the amending of the standing orders is a matter, of course, for the house. However, I think I speak for all hon. members when I say that while all of us recognize the abiding need for spiritual guidance, the system that has been in effect in our country since confederation does meet the need of hon. members without regard to their religious persuasion. The nature of the prayer that is made each day is comprehensive enough, and I think does meet in general the feelings, aspirations and desires of members as a whole.

While I appreciate the thought behind the question, I do not feel that any change should be made, although I might add this. I do believe that at a time of international trial and fear, the desires of the hon. member could be met, if parliament so desired, by the establishment of a room similar to that which was brought into being some years ago by the United States congress, a prayer room adjacent to parliament where law-givers, without regard to religious persuasion, might ask for that guidance which parliamentarians need today.

Mr. Daniel McIvor (Fort William): I should like to ask a supplementary question. I have often felt that there is one word in the prayer that might be changed for the better. We now pray that Her Gracious Majesty might overcome all her enemies. Would it not be more in keeping with the Prince of Peace if we prayed that she might win her enemies?

SHIPPING

ST. LAWRENCE SEAWAY—EQUIPMENT TO KEEP CHANNELS OPEN IN WINTER

On the orders of the day:

Mr. W. J. Henderson (Kingston): Mr. Speaker, may I direct a question to the Minister of Transport. In view of the experiments carried out by the Atlas Copco Company of Sweden to free water channels from freezing in winter, is such equipment being installed or considered to free the St. Lawrence seaway of ice and thereby keep ships passing in the winter?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, the hon. member was kind enough to send me over this newspaper article. I see by it that the experiments have not yet been carried out but that they will be carried out in Sweden this winter. Quite naturally we shall be greatly interested to hear what are the results of those experiments, because anything that would keep the St. Lawrence seaway open during the wintertime at reasonable cost would naturally be highly interesting to this country.

CANCER

STATEMENT ON SURVEY ON RESULTS OF SMOKING

On the orders of the day:

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, on Friday last the hon. member for Fort William (Mr. McIvor) asked whether my department was carrying out a study of the effects of tobacco as a possible cause of cancer. I would inform him that the epidemiology division of the Department of National Health and Welfare, in co-operation with the Department of Veterans Affairs, undertook an investigation two years ago to study further the relationship of residence, occupation and smoking habits to death from lung cancer and other selected causes.

Information has now been collected from a large group of persons and this is being carefully analysed. As this study is prospective in nature it is a long-term undertaking and it is not expected that conclusions will be available for some time.

Mr. McIvor: Thank you.

HEALTH AND WELFARE

AIR AND WATER POLLUTION—INQUIRY AS TO FEDERAL ACTION WITH RESPECT TO SHIPS

On the orders of the day:

Mr. M. D. Morton (Davenport): Mr. Speaker, I should like to ask the Minister of Transport a question concerning his statement

yesterday in respect of air pollution by locomotives. Can the minister say what action is being taken in regard to air pollution by ships?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I wish to thank the hon. member for advising me of his intention to ask this question. The international joint commission has been making a study of this nuisance in the Detroit river and other boundary waters for some years. This study is now nearing completion, and standards covering smoke emission will then be issued to the various authorities having jurisdiction along the St. Lawrence system. This includes Toronto harbour which is, of course, for this purpose under the jurisdiction of the local authorities concerned.

It is hoped that the standards, when issued, will be enforced by the various authorities having jurisdiction and, if this is done, a forward step in dealing with this nuisance for the whole of the great lakes system will have been taken.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I ask a supplementary question. If I understood the hon. member's question properly he was dealing with air pollution. Does the same statement apply to pollution of water, and is the study of the pollution of water extended to the international joint commission in the great lakes area as well?

Mr. Hees: It is my understanding that it is, Mr. Speaker.

Hon. George C. Marler (St. Antoine-Westmount): Mr. Speaker, I should like to ask a further supplementary question. Do I understand the minister to suggest that the Toronto harbour commission does not have power to regulate this problem within its own control?

Mr. Hees: No, Mr. Speaker. If the former minister will read my answer I think he will see that I said the Toronto harbour commission has jurisdiction to carry out these measures itself.

Mr. Marler: So I should infer from the minister's answer that they already have power to regulate this problem?

Mr. Hees: Yes.

LIVESTOCK

REQUEST FOR ESTABLISHMENT OF FLOOR PRICES

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I rise on a point of order.

[Mr. Morton.]

Yesterday I addressed a question to the Minister of Trade and Commerce as follows:

"—arising out of the answer of the Minister of Agriculture to the hon. member for Yorkton with regard to the serious drop in hog prices in western Canada. Would the Minister of Trade and Commerce now announce a new directive to western producers? I refer to the statement he made in Winnipeg suggesting to farmers that they go into livestock production, thereby using up a lot of surplus wheat.

My point of privilege, Mr. Speaker, is that the answer of the Minister of Trade and Commerce was as follows:

Mr. Speaker, I did not suggest to anyone in Winnipeg or anywhere else that the farmers of western Canada should go into livestock production. If the hon. member would get his facts straight perhaps I could answer his question.

Now, Mr. Speaker, I have not had the privilege of seeing the text of the speech which the Minister of Trade and Commerce made at the dairy council in Winnipeg, but I have here with me several editorials appearing in various newspapers in Canada—

Some hon. Members: Order.

Mr. Speaker: Order. The hon. member first said he was rising on a point of order and then revised it to a question of privilege. If it is a point of order referring to what transpired at question time yesterday it should have been raised then. If it is a question of privilege I fail to see as yet where there is any matter of the privilege of this house involved in what the hon. member is complaining about. If the hon. member has a question of privilege I wish he would state it.

Mr. McCullough: My question of privilege, Mr. Speaker, is this. The hon. Minister of Trade and Commerce said if the hon. member would get his facts straight perhaps he could answer his question. I want to say that I am quite prepared to be corrected in my assumption of what the minister did say and, due to the importance of what he is taken to have said at the dairy council in Winnipeg, according to the various editorials, I would ask him to correct my assumption or misassumption and put the facts straight.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, may I just say this. I suggested to the hon. member that he should get his facts straight. He has now admitted that he has not read the text of my first class speech given to the dairy council in Winnipeg. He has just said that possibly there are corrections which should be made to editorials. I cannot keep up with the editorials across the country in order to do that.

Mr. M. J. Coldwell (Rosetown-Biggar): May I ask a supplementary question, Mr. Speaker. With respect to these first class speeches, how are we going to get the full text of them?

Mr. Churchill: Upon request. I will be glad to give one to my hon. friend, who similarly was confused by reports in the papers.

Mr. Coldwell: Well, I would suggest that the minister should distribute his first class speeches to all members of the house.

Mr. Churchill: It would improve your own speeches.

Some hon. Members: Order.

LABOUR CONDITIONS

STRIKE OF RIVER PILOTS, KINGSTON MARINE DISTRICT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I would like to address a question to the Minister of Transport, Mr. Speaker. I have not given him notice of this question, but there is considerable publicity on the matter in this morning's paper so perhaps he could deal with it. I wonder if he is aware of the situation with reference to the Montreal-Kingston-Ottawa pilots, and also whether he has taken cognizance of the fact that the pilots have been advised that they will be fined and their districts probably abolished unless they return to work by Wednesday. I am asking now whether the minister has approved of this in his capacity as pilotage authority for Canada.

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I am meeting at four o'clock this afternoon with the pilots' committee for further discussions.

BRIDGES

SAINT JOHN, N.B.—REQUEST FOR CONSIDERATION OF HARBOUR PROJECT

On the orders of the day:

Mr. H. J. Murphy (Westmorland): Mr. Speaker, I wish to address a question to the Minister of Public Works. Will the government consider the construction of a harbour bridge at the port of Saint John, New Brunswick, similar to the Angus L. Macdonald bridge in Halifax?

Hon. Howard C. Green (Minister of Public Works): I will be glad to look into this question.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, November 11, consideration of the motion of Mr. A. R. Smith (Calgary South) for an address to Her Majesty the Queen in reply to her speech at the opening of the session, and the amendment thereto of Mr. Coldwell.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to begin what I have to say today by extending very sincere congratulations to the hon. member for St. John's East (Mr. McGrath) upon the excellent form of the speech he delivered in the house last evening. I think there is no doubt that the hon. member caught the ear of the house, which I assume is one of the first objects of a good new member, and I hope that as time goes on the hon. member will continue to bring forward in this house the problems of the province of Newfoundland, about his concern for which I express no doubt; and I am sure he expresses no doubt about mine.

I am afraid, however, that I cannot congratulate the hon. member upon having caught the ear of the Prime Minister, because when the hon. member used that nasty word "unemployment", which no Tory backbencher is supposed to use, there was a frown on the face of the Prime Minister, and I could only conclude that the party whip had not got all the way around with the warning that this nasty word "unemployment", which the Liberals use to spread doom and gloom in the country, was not to be used by Tory backbenchers. But no doubt the hon. member will learn in time.

Now, sir, I think the hon. member for St. John's East in his zeal did rather exaggerate the situation in the province of Newfoundland. It is true that there is a good deal of unemployment there—more than twice as much as there was a year ago—and it is true that unless some steps are taken to improve that situation there will be a good deal more before the winter is out. That is a matter of proper concern to every member of this house, whatever province he happens to represent.

I suggest it would be better if the government, instead of suggesting that we should ignore the existence of unemployment, were to get busy and try to do some things which could be done, and done right away, to alleviate the unemployment situation. I do not think the hon. member for St. John's East will question my statement when I say that were it not for the building of two public buildings by the public works department and the building of a terminal at Torbay by the Department of Transport, projects undertaken

by the previous government, there would be a good deal more unemployment at St. John's than there is at the present time.

I must say that I feel a little concerned on reading stories in the press recently that other public works are going to be cut out for reasons of economy. We all know that the former minister of finance, Mr. Harris, in preparing his estimates—in fact he told the house this—did cut down the public works projects that were put into the estimates for this year, because at that time the prospect for private construction in this country was very good.

Now, for some reason or other—and I am not going to suggest what the reason is—those prospects are not nearly as good today, and I do think it is very unwise on the part of the government to be cutting out any of those essential projects at this particular time when all of us have a proper concern about a tendency toward increased unemployment, which I do not intend to exaggerate.

I should also extend the customary congratulations to the mover (Mr. Smith, Calgary South) and the seconder (Mr. Arsenault). I think they both did very well, but I do not think anything I can say would add to the congratulations that others have extended to them. I will, however, Mr. Speaker, extend a special word of congratulations to you. Like my hon. friend from Inverness-Richmond, I can say this with the more assurance because it is rather long delayed. I confess, sir, that when the names of the ministers were announced on June 21 many of us were astonished that your name was not among them. It did seem to us that you had made a great mark in this house and in other places, and it did seem astounding that you should not have been in the ministry; but the loss to the government, I think, sir, has been a gain to parliament. I believe you have already demonstrated that your main concern is to be utterly impartial and, speaking for myself, I would never ask anything more of the Speaker.

I want to express my admiration of the Prime Minister's election campaign. I think it is well known to the house that I have had a reasonably close association with other prime ministers of this country for what is now 20 years, and I must say that when I looked at the schedule of the Prime Minister's election engagements I was horrified. I thought the hon. gentleman or his advisers had mistaken him for superman. I must say that I never expected him to get to the end of the course. For sheer endurance I think it was a terrific record, for which I cannot fail to express my admiration.

[Mr. Pickersgill.]

I would also like, sir, to express to the Prime Minister my own appreciation of the way in which he has preserved the amenities of his office outside the house. I think he has done that admirably and we have all appreciated it. In doing so I think he was following the example set by my right hon. leader and I would suggest, sir, that if the Prime Minister would follow that example in the house as well as outside, the whole tone and temper of the house might be even better.

I should also like to say that I personally feel the Prime Minister should be congratulated upon the excellent arrangements that were made for, and carried out during, the royal visit. I do not think they could have been improved upon. I certainly personally have no criticism, and I do not think anyone in this party has any criticism, of the Prime Minister for having delayed the opening of the house in order to have it opened by Her Majesty. As a matter of fact, sir, I think it would be very ill-becoming any member of the Liberal party to express any such criticism, because in delaying the opening the Prime Minister was simply carrying out, and carrying out admirably, the plans which were already made by the previous prime minister.

I would also like to say, sir, that it was a source of particular gratification to me personally that the Prime Minister went to Washington as the minister in attendance upon the Queen. It did seem to me that was the right and proper thing to do; but my mind, sir, went back 18 years, to the first time a Canadian prime minister attended in Washington and in the United States as the principal adviser to the Canadian sovereign—a prime minister also from Prince Albert—and I could not fail to remember, sir, that at that time there were many members of the Conservative party who were very critical of what Mr. Mackenzie King did. But it is interesting to see that after a generation's lag the Tories usually decide that what Liberals have done is right.

I think, sir, the right hon. gentleman who is the leader of our party did the right thing in taking the view he did, that the government should be given every opportunity to prepare itself for what is after all the most difficult task in this country; and there was, from the day the ministers took office until the opening of this house, almost not a breath of criticism of the ministers or of the government from members of the Liberal party. We felt the ministers were entitled to have time to find their feet, to learn their job; but we did expect that once they came here in parliament they would not expect any quarter, and they would not make any complaints

if we treated them, after four months in which to get experience, in exactly the same way that other governments in the past have expected to be treated in a deliberative assembly.

I do want to say, sir—and I am afraid this will be in a rather more critical vein—something very briefly about the Prime Minister's cabinet making. I cannot express the same admiration for it as I can for some of the other activities of the Prime Minister. It has always been well understood in this country, except for one occasion, that the cabinet should reflect the federal principle, which is the basis of our constitution. Unless the cabinet accurately represents all the regions of this country, the distribution of the population and the distribution of interests within the country, it is going to be much more difficult to maintain that essential and basic unity without which this country cannot hope to survive and prosper as we want it to prosper. It seems to me, sir, that the present cabinet is almost as lopsided as the cabinet of 1917; not quite, but almost. A life-long student of Canadian political history said to me a few weeks ago:

> Canada extends from sea to sea but this new Tory government looks as though it extended from the Humber to the Don and from the lake shore to Eglinton.

Well, you know, sir, that is not really good enough. This government was going to bring in a new era in the Atlantic provinces. Look at them. In the province of Nova Scotia the Prime Minister won the greatest victory that any Tory leader has won since confederation and he won it, as the hon. member for Inverness-Richmond (Mr. MacEachen) showed so well yesterday, because he painted a picture of the transformation that was going to take place in the Atlantic provinces, of which, after five months, there are no signs or even indications.

Mr. Nowlan: There are none so blind as those who will not see.

An hon. Member: What about the 22 years?

Mr. Pickersgill: I will come to the 22 years, and I would advise hon. gentlemen not to emphasize it so much; but after five months there is not the faintest sign of the transformation. What happened in Nova Scotia? In Nova Scotia we expected that the senior and experienced gentleman, who was obviously going to be in the cabinet, would at least have one of the main policy-making, or the main spending, portfolios, so he could help carry out those new policies. What did we get? We got, sir, the tax gatherer. The tax gatherer is good enough for Nova Scotia, and all the great spending departments are in the two rich provinces of Ontario and British Columbia.

But, sir, what concerns me even more is the treatment accorded to the province of Newfoundland. One would have thought, sir, that this province, still new in confederation as the hon. member for St. John's East (Mr. McGrath) pointed out last evening, would have been given rather special treatment and not the rather shabby treatment that in fact it was given. The hon. member for St. John's West (Mr. Browne), who is a minister without portfolio in the present government, as hon. members know was a member of the sovereign parliament of a British dominion as early as 1924. He served in the cabinet of a British dominion. He served on the bench. He was, it seemed to us, the obvious person to be minister of justice. He was even a Rhodes scholar and he had every qualification that the hon. member for Kamloops (Mr. Fulton) has, plus a great deal more experience. But what is he? A second-class minister. What do we conclude from that? Either that his leader thought there was something wrong with the hon. member for St. John's West or that he thought Newfoundland did not deserve first-class treatment.

An hon. Member: They never had it before.

Mr. Pickersgill: I expected that interruption, Mr. Speaker, and the Prime Minister would not agree with it, because he flattered me all through the election campaign by exaggerating my importance in the previous government. I do not think anyone, even the hon. member for St. John's East, would question that I had some little influence in the affairs of this country in the last four years—

Mr. Churchill: How is your influence now?

Mr. Pickersgill: —and that some of that influence has done no harm to the province of Newfoundland.

An hon. Member: How did you get down to Newfoundland?

Mr. Pickersgill: I am quite willing to leave it to the people who have to vote for me, and if the hon. gentleman can get the kind of majority I had he will not have any reason to complain.

Mr. Churchill: How do you make them vote for you?

Mr. Fraser: How do you make them have to vote for you?

Mr. Pickersgill: I want to say something very briefly about the trade policy of the government. I am not going to attempt to

traverse the ground already traversed by the hon. member for Algoma East (Mr. Pearson). I want to speak on this subject primarily from the point of view of the Atlantic provinces. I do not think any of us was much concerned one way or the other when the Prime Minister went to London. I do not think we were much concerned when he said he had some scheme for increasing commonwealth trade, because everybody in his senses would like to increase commonwealth trade.

But our real worry began, sir, when the Prime Minister returned from London with this 15 per cent diversion which he apparently never discussed with the cabinet, which he rushed off to the press gallery and broadcast to the world, and about which we have never been able to find out anything more from that day to this. But what really worried us, and if the Prime Minister has any doubt about this I suggest he read the editorials in the Halifax *Chronicle Herald,* which is an independent newspaper—

An hon. Member: Oh, oh.

Mr. Pickersgill: Well, does the hon. gentleman suggest it is not an independent newspaper? If so, I will stand corrected.

An hon. Member: Notice how we ignore that one.

Mr. Pickersgill: No sober person in the Atlantic provinces could understand a proposal which deliberately suggested that we should take something away from the best customer we had, and that is what this proposal meant and nothing else. That we should expand commonwealth trade, yes; but that the Prime Minister of the country should set out deliberately to injure the exports of our best customer struck us as a very dangerous proposition indeed. We felt, and we have had evidence since, as the hon. member for Charlotte (Mr. Stuart) pointed out the other day, that this 15 per cent proposal of the Prime Minister, this careless proposal as the hon. member for Algoma East described it, has strengthened all those protectionist interests in the United States which the previous government was able to counter, and on the whole counter very successfully. That apprehension is very widely felt, and I hope the Minister of Finance (Mr. Fleming) was really right when he said in Washington that the Prime Minister did not mean 15 per cent, that it was only a figure of speech.

Mr. Fleming: Nonsense.

Mr. Pickersgill: Now, sir, we have also been rather concerned about the cavalier attitude of the government—

[Mr. Pickersgill.]

Mr. Fleming: On a question of privilege, Mr. Speaker, I made no such statement.

Mr. Pickersgill: Oh, no; the hon. gentleman is, as usual, misquoted by the press.

Mr. Fleming: Misquoted by the hon. member.

Mr. Pickersgill: Perhaps the hon. gentleman might keep his temper and not blow his top.

Mr. Fleming: My temper is kept, but I would be obliged if my hon. friend would stick to fact and not fiction.

Mr. Harkness: There were no members of the press present at that meeting.

Mr. Pearson: There was a lot of talking afterward.

Mr. Pickersgill: It is sad that in all of us there seems to be some lack, and that the Creator left out a sense of humour when He created the Minister of Finance.

Mr. Churchill: What did He leave out in you?

Mr. Fleming: Did He leave a sense of veracity out of you?

Mr. Pickersgill: I suggest, sir, that the way the minister treated Mr. Thorneycroft's proposal was not the right way to treat it. I suggest that the veil of secrecy that has descended over the trade proposals made by this government and made to this government should be lifted, and that we should have the external affairs committee called at the earliest possible moment and have both hon. gentlemen's proposals investigated by that committee.

The minister said in the house the other day that his proposals at Mont Tremblant were secret because they were intergovernmental. They were nothing of the kind. They were proposals by the Canadian government, and there is no reason whatever why they should be secret unless the government itself wants to conceal them, which I suspect it does. We have never been told, either, what Mr. Thorneycroft's proposals are. We have read a lot of things in the *Financial Post,* which the hon. gentleman says never reports anything correctly.

Mr. Fleming: I did not say that either.

Mr. Pickersgill: Probably they are an approximation, but we should be told officially in the house what is in these proposals. As a parliament of freely elected representatives of the people we ought to be allowed to debate these proposals, and the best place to do that is in the external affairs committee.

Mr. Fleming: What is wrong with parliament?

Mr. Pickersgill: I want to go on to say something about another subject which is just as important to us in the Atlantic provinces and is also referred to in the speech from the throne. The speech from the throne refers to a meeting with leaders of provincial governments "to discuss fiscal relations and to seek better understanding and arrangement of many aspects of our public finances." This is a very vague expression, sir, but I assume it is intended to be a carrying out of the promises made by the Prime Minister during the election. I have looked at one or two of the things the Prime Minister is reported to have said on this subject during the election campaign, and I am going to take a few moments of the time of the house to quote one or two of them very briefly. On June 3 the Prime Minister is reported to have said at Cambridge, Nova Scotia:

> We will also provide the necessary machinery to enable applications for federal assistance to receive their proper consideration.

That surely does not mean that the premiers have to write and write again and spend two months trying to get answers to their letters.

> These things we will do and, in addition to that, we want to bring into effect a reasonable equality in confederation whereby there will be available to each of the provinces special adjustment grants in order to assure a reasonable degree of equality among the provinces of this country. To that end, we're going to call a dominion-provincial conference immediately after the election. . . .

I am not going to read the rest of that one. I want to read also briefly from what the Prime Minister is reported to have said at Three Rivers, as reported in the *Gazette* of June 5:

> The Conservative party will restore the true meaning of the British North America Act which guarantees the provinces freedom to carry out various spheres of activity allotted them under the constitution. We will not only make sure that the constitution is respected, but we will also make sure that the provinces and municipalities have sufficient money to do the job they are supposed to do. Having the power to do a certain job does not mean very much if you have not got the financial means to implement these powers.

It is no wonder the premier of Nova Scotia expressed the great expectations he did, as reported in the Halifax *Chronicle-Herald* of October 27, before he received that very discouraging letter which the Prime Minister wrote on October 31 in which it was stated that nothing was going to be done at the conference in November; no proposals put before it; nothing definite, just talk.

That is precisely what I thought was going to happen; that is precisely what I said would happen when I was in Winnipeg on October 19, after having asked one or two questions in this house. I said the government intended, for as long as possible, to do absolutely nothing for the provinces and that when they were finally forced by pressure to do something they intended to short change the poorer provinces. I still believe that is their intention. If it is not I cannot understand why we in this parliament are not told what their proposals are.

We were told there would be a conference immediately after the election, not five months afterward. Surely there has been plenty of time for the government to consider this problem and formulate some views about it. One thing that has disturbed a good many of us who represent the poorer provinces of this country is that nowhere in the Prime Minister's campaign did he say that the additional payments he promised would maintain the equalization principle. I want to be fair. It is true the Prime Minister said that no province would lose anything it was receiving. He did say that the equalization which exists now would be maintained, but he did not say anywhere that the principle of equalization would be maintained in the subsequent grants. This is of the utmost importance. This is why one cannot escape the feeling that there is an intention on the part of the government to short change the other provinces in order to satisfy the demands of the premier of Ontario.

The premier of Ontario asked on the platforms, where he was accompanied by the Prime Minister during the election campaign, for another $100 million. I am going to be fair again, I hope, to the Prime Minister. The Prime Minister never said he was going to give that. Indeed, I think he said in Saskatoon he had given no promise of any kind to the premier of Ontario. However, the premier of Ontario did ask for $100 million. I believe that in Toronto the other day he said he expected to get it. I made a calculation, as nearly as I could with the facts at my disposal, of what $100 for Ontario would mean under Mr. Harris' formula.

An hon. Member: You mean $100 million.

Mr. Pickersgill: No; $100; it is the same thing, if you just add a few more zeros. I thought it was simpler if I took $100 to Ontario and made a calculation as to what the other provinces would receive. Of course the figures are not final, but according to the figures that were published I made a calculation as to what the other provinces would get in additional revenues, without duplicate taxation. This calculation shows that for every $100 Ontario derives Quebec gets about

$83.50; British Columbia almost $28; Alberta a little over $20; Saskatchewan a little over $16.50; Manitoba about $15.50; Nova Scotia about $12.75; New Brunswick a little over $10; Newfoundland about $7.75 and Prince Edward Island less than $2.

What this means is that for every $100 for Ontario all the other provinces now get approximately $195. In other words, Mr. Frost's $100 million, if the equalization principle were followed, would cost the treasury $295 million each year, according to the calculations that were made the last time any calculations were published. It may be that the figure is even higher, but it is certainly that high.

I do not think anyone would question, and I am sure the Prime Minister would not question, that during the campaign he led the people of the Atlantic provinces to expect that they were going to get something better than Mr. Harris' formula. Certainly that is the impression that was created in those speeches made by the Prime Minister. During the election campaign the Right Hon. Leader of the Opposition (Mr. St. Laurent) suggested, indeed predicted, that the poorer provinces would get something worse, and I am afraid that apprehension is becoming more widespread amongst the poorer provinces as time goes on, and as this subject gets rolled over and rolled over.

Apparently we are going to have another Mont Tremblant conference here in Ottawa in November 25 and 26. Then the real conference will be put off until next year; it will be just like the problem of trade. Perhaps something will happen in the meantime so it can be put off again. I do not think the people in the Atlantic provinces are going to consider that is good enough, after having voted for this great new era the Tory government was going to introduce.

I am afraid that in the end the cheque that will have to be cashed, the draft that will have to be honoured, will be Mr. Frost's draft. Then there will not be enough money left for anyone else. I know the provincial treasurer of Ontario has suggested that all this money comes out of the taxpayers of Ontario anyway, and that any little scraps that fall from the rich man's table should be good enough for the rest of the country. To that, sir, I make the reply, and I make no apology for it, which Mr. Harris made in his budget speech. It is the position of the Liberal party, and I hope it will also be the position of hon. gentlemen opposite, but I fear it will not. Mr. Harris said these words:

> In his budget speech three weeks ago the provincial treasurer of Ontario referred briefly to the federal-provincial tax-sharing arrangements. I do not intend to re-argue this matter, but I do want to comment on two statements. The Ontario treasurer referred to the prospective federal surplus adding that "nearly half this large surplus comes from Ontario taxpayers", and later he said that the $155 million of tax equalization payments to the other provinces "will come to a large extent from Ontario taxpayers".
>
> My comment, Mr. Speaker, is that every dollar of federal revenue comes from Canadian taxpayers, and every dollar paid in stabilization or equalization payments is contributed by Canadian taxpayers.
>
> Canadians living in Ontario pay exactly the same rates of tax as are applicable to all other Canadians, and Canadians living in Ontario derive their incomes in considerable part, directly or indirectly, from consumers and producers in other parts of Canada, just as Canadians elsewhere may derive part of their incomes from business activity that takes place in Ontario.

No better illustration of the validity of what Mr. Harris said could have been given than was given by the hon. member for St. John's East. In his speech last night he pointed out that before confederation, only nine years ago, the imports of foodstuffs alone into Newfoundland from Canada amounted to about $50 million. For the last year for which we have any accurate figures —I cannot remember now what year the hon. gentleman mentioned, but it was a year or two ago—they had quadrupled. This is simply one of those evidences of what anyone who was brought up in Manitoba or anyone who represents Newfoundland has borne in upon him, namely that the incomes which are taxed in Ontario and in other areas like the city of Montreal, where business is concentrated, where we have the real centralization in this country, are earned all over Canada; and that if we are to have a united country in which all our citizens are to have anything approaching equal opportunities there is no other way in which to provide those opportunities as long as we retain our federal system—and I hope that will be forever—except by draining a part of those revenues into the federal treasury and distributing them relatively evenly across the whole country.

I sincerely hope, Mr. Speaker, that I am wrong in my estimate of what the government's intentions are in this matter. I sincerely hope I have misjudged them. However, I am judging them in the only way in which it is possible for a member of the opposition to judge them, namely by the facts that appear on the record. As hon. gentlemen now sitting on the treasury benches used to point out, it is always difficult to divine what is in the minds of ministers. But may I say, Mr. Speaker, that never in the history of Canada has it been so difficult to divine what was in the minds of ministers or what their real intentions

are as it has been since October 14, 1957. Already in this session we have been refused more information to which members of parliament are justly entitled than was refused in the whole 22 years—

Some hon. Members: Oh, oh.

Mr. Pickersgill: —and with not the faintest vestige of any kind of excuse.

An hon. Member: How wrong can you be?

Mr. Harkness: That statement is as accurate as are most of the hon. gentleman's statements.

Mr. Pickersgill: In the 20 years I have been in Ottawa I cannot remember a single occasion on which the previous government had formulated a policy and refused to indicate their intentions. I can remember occasions, while they were still formulating policies, while they had been giving them the sage consideration which I commend to the Prime Minister before propositions are made, when they quite properly would not make any commitments about their intentions. But once a decision on those intentions has been reached, the idea that a minister can get up in the house and say, "That is a matter of government policy and you fellows on the other side are not entitled to know about it", is something new in this house.

Some hon. Members: Oh, oh.

Mr. Pickersgill: It is something that has happened since the last election.

Mr. Hodgson: Do you think Mr. Howe is dead?

Mr. Pickersgill: We have had another complaint from the government side of the house, particularly from the Minister of Agriculture (Mr. Harkness), who apparently is trying to emulate me as an interjector.

Some hon. Members: Oh, oh.

Mr. Pickersgill: And I must say that he is fairly good at it.

Mr. Harkness: I assure the hon. member that I will take a better model.

Mr. Pickersgill: I was hoping my observation would bring about a reformation, Mr. Speaker. The Minister of Agriculture, whose good nature is refreshing on the treasury benches, has said on several occasions—in fact as recently as last night and perhaps this morning—something about the 22 weeks. The Prime Minister also, in his opening speech in this debate, made a good deal of comment on the 22 weeks. He said my leader expected him to do as much in 22 weeks as the Liberals had done in 22 years. I can assure the Prime Minister and you, Mr. Speaker, that we have no such expectation at all. But when thinking about those 22 weeks a little bit one thought occurred to me. I remembered that on October 14—I do not know whether or not the Prime Minister picked this date purposely—1935, Mr. Mackenzie King won an election. Within four weeks of the date of the election—not within four weeks of the date the government took office but within four weeks of the date of the election—Mr. Mackenzie King's government had concluded with the United States a trade agreement which began to take us out of the depression. What has this government done not in four weeks but, as the Prime Minister said, in nearly 22 weeks?

Mr. Nowlan: The trade agreement was negotiated by R. B. Bennett.

Mr. Pickersgill: Who would not sign it. He was afraid to sign it.

Mr. Nowlan: He was like you; he expected to come back.

Mr. Speaker: Order. I am sorry to interrupt the hon. member, but I must inform him that his time has expired.

Mr. J. A. Smith (Battle River-Camrose): Mr. Speaker, I should first like to extend my congratulations to the mover (Mr. Smith, Calgary South) and the seconder (Mr. Arsenault) of the address in reply to the speech from the throne. Then again, Mr. Speaker, I wish to extend my congratulations to you upon your elevation to the high office which you now hold. I feel confident that you will fulfil the duties of your office with impartiality and dignity. I trust, Mr. Speaker, that you will continue to keep that right eye of yours directed to the further end of this chamber, as you have done so well up to now.

Since the large percentage of those residing in the Battle River-Camrose federal riding which it is my privilege to represent are either directly or indirectly dependent upon agriculture for their livelihood, it is my intention this morning to spend some time discussing a few of the problems that face those who are engaged in the major industry to be found in Canada. There is no need of my pointing out to the house that those engaged in this industry now find themselves in a position where, while they represent 17 per cent of our national population, their share of the national income was slightly above 6.9 per cent. This points out that those engaged in agriculture from coast to coast, and not in any one regional area alone, have been unfairly treated throughout the last number of years.

The agricultural policy of the Social Credit group has been well known not only to the members of this house but to the people of

Canada for many years. It has not been a policy that has been adjusted in order to satisfy the changing winds of public opinion. It is not a policy that was drafted to satisfy regional groups in Canada. It is a truly national policy, an agricultural policy for all those engaged in that industry. We as a group are extremely proud of the agricultural policy we have advocated down through the years in this house. It is for this reason that it is my intention this morning to again put this policy on record.

In order that the farmers of Canada may be afforded the opportunity to obtain a fair share of Canada's national income, we of the Social Credit group advocate the following agricultural program. First, low cost and long-term credits to farmers and cash advances against the grain stored on the farms. Second, we advocate a two price system for the sale of our farm products. Products would be sold at parity prices on the domestic market and those exported abroad would be sold at the best price obtainable, preferably under international agreement, but supported at levels which would assure that the aggregate sales in the domestic and export market would return to the farmer his fair share of the national income. Third, we advocate the continuation of the Canadian wheat board as the sole marketing agency for wheat, oats and barley, with the inclusion of flax and rye to be handled under the jurisdiction of that board.

Fourth, we advocate an expansion of permanent storage for grain so the desired reserves of grain might be carried without interfering with the normal handling of the current crop. Fifth, an all-risk national crop insurance act along lines similar to the act now in operation in the United States of America. Sixth, the expansion of markets for farm products, (a) in the domestic market by equating the effective purchasing power with the aggregate of all prices of goods available for sale, and (b) externally by making surplus products available to all nations which are unable to obtain them through the normal channels of trade, by the acceptance of foreign currency, by barter deals and in the case of extreme distress by outright gifts.

We believe such a program is not merely in the interests of the Canadian farmer but that it is of vital concern to the people of Canada, in order to ensure that there will continue to be adequate supplies of food at fair prices, prices that bear a fair relationship to the prices of other commodities. Moreover, we feel it is of vital concern in helping to promote world peace.

[Mr. Smith (Battle River-Camrose).]

I wish to point out that we of this group are not prepared to admit that there is a surplus of food in the world today, and in this opinion we have the backing of outstanding leaders in Canada at this time. I have in my hand a short article taken from the *Wheat Pool Budget* of August 16, 1957. This article deals with surplus disposal as follows:

> To those who think that in agriculture we have arrived at a point where we need no longer expand I say to you this: I learned one lesson at the commonwealth conference in London—we must expand our agricultural development. With one quarter of the world's population going to bed hungry at night methods must be found to enable—
>
> I want to stress this.
>
> —to enable the distribution of our surpluses to the end that happiness will come to the peoples of the world.

These are not the comments of a wheat pool delegate from western Canada, nor of an official of the farmers' union in Alberta or the interprovincial farm union council. These are the words of the Prime Minister of Canada spoken to 11,000 people at the opening of the Saskatoon exhibition on July 22. We feel very definitely that the only reason we have a grain surplus in Canada today is because of faulty marketing and financial policies followed by the previous administration. No nation in the world should ever be plagued with surpluses of food when there are millions of hungry people in other areas.

We will admit that it is perhaps a wise policy to maintain in Canada a surplus of wheat and other foodstuffs at all times as a safeguard against possible crop failures and so forth, but we do not feel it is fair to expect the farmers of Canada to finance any great portion of such a surplus. It is a problem of national concern and should be financed by the nation as a whole.

The previous administration frowned upon such suggestions as the establishment of permanent storage facilities for our wheat and other grain. That same administration frowned upon the acceptance of sterling or the currency of other lands in return for agricultural products. It frowned upon barter deals and it frowned upon outright gifts of surpluses of food products to hungry nations. I sincerely hope that Her Majesty's present government will take a new look at this whole situation and attempt to place the food we have in surplus in Canada today into the mouths of those people who are hungry in other parts of the world.

During the last two sessions of parliament we in this house have spent considerable time discussing amendments to the Canadian Farm Loan Act. During those discussions we of this group urged that several changes be made in

this act. We suggested that the maximum loan granted be increased from $15,000 to $20,000; that the time of repayment of a loan be extended from 30 to 40 years; that the amount of the loan which is granted upon the appraised valuation be extended from 65 to 80 per cent. We urged that there be a reduction in the interest rates charged on such loans, and finally we asked that a more realistic approach be taken to the whole matter of appraising farm property in order to bring such appraisals in line with the present day values of such properties.

We still feel that the act as it now stands is of little or no use to a young man who wishes to enter the agricultural industry. During last summer I had several farmers come to me with their complaints of being unable to secure assistance from the Canadian farm loan board. The interprovincial farm union council in their brief submitted to the Prime Minister and his cabinet on August 15 had this to say concerning the activities of the Canadian farm loan board:

> There has been available for some considerable time the facilities of the Canadian farm loan board, but these have proven to be totally inadequate in performing the function, with respect to the farm finance, that we would anticipate from this board. From experience, farmers (particularly young people wishing to establish themselves on farms) have found the operations of the Canadian farm loan board extremely restrictive.

In actual practice it would appear that the only people who have ready access to the facilities of this board are those who already have more land and greater assets than are normally required. In the words of the interprovincial farm union council, which represents farmers in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario:

> Our main concern in this respect is to enable young farmers to obtain the finances necessary, backed by the assets of the farm unit, to enable them to take over, in many cases, their fathers' farms and to allow them to carry on in the vocation for which they are best qualified.

Then again, on July 31 of last year the Prime Minister and the members of his cabinet received a presentation from the Canadian federation of agriculture, and that presentation also dealt at some length with the Canadian farm loan board. It had this to say:

> The regular Canadian farm loan board program also requires revision. Primarily—

And these are interesting words, Mr. Speaker.

> —it needs to liberalize its present over-cautious and conservative appraisal and lending policies.

I hope, Mr. Speaker, that the Prime Minister and members of his cabinet will take these words to heart, and I will repeat them:

> It needs to liberalize its present over-cautious and conservative appraisal and lending policies.

The presentation goes on to say:

> The maximum loan should also be increased to $20,000 from the present $15,000 maximum. While the present maximum loan rate of 65 per cent of appraised value is satisfactory for larger loans, this percentage should be gradually increased for loans of smaller amounts with a maximum of 80 per cent on loans of up to $8,000. The maximum term of repayment should be 40 years. Interest rates should be at the cost of money to the farm loan board, with operating costs carried by the government.
>
> With its present administrative set up, the farm loan board is hardly able to base its lending decisions on the intimate knowledge of farming conditions, and appraisal of the personal capacities of the borrower, which are necessary to a flexible and helpful lending policy. We therefore recommend the setting up of regional advisory committees which could work with loan board officials.

There, Mr. Speaker, are the opinions expressed to the Prime Minister and members of his cabinet by the two largest agricultural organizations to be found in Canada.

Last spring I received from a young farmer the following cutting which was taken from the *Family Herald* published, I believe, in Montreal. This, too, deals with the Canadian farm loan board, and I should like to read a certain portion of it to the house:

> Of course, there is the Canadian farm loan board. These folks will gladly lend a farmer money—all he has to do is show that his financial picture is so sound that he doesn't really need any help, and they will quickly approve a loan. If, however, he is in debt, working like a coolie day and night to make ends meet, and needs a loan to better himself, he is wasting his time applying. Love of farming, willingness to work from dawn till exhaustion, a reputation for honesty—these may be assets in some eyes, but not to the hard-headed businessmen who dispense loans.

I wish to make it abundantly clear that I have no quarrel at all with any of the civil servants who are working for the Canadian farm loan board. They have always treated me with courtesy and respect, and I believe they are doing their very best to help the farmers within the narrow scope or limits of the act which we as a parliament have laid down for them to administer.

There is one other matter to which I should like to direct the attention of, perhaps, the Minister of Finance, and certainly of the officials of the farm loan board. Many applications for loans are turned down by the board—in some cases with some justification—but the letter notifying the individual farmer that his application has been rejected, which I believe is a form letter, is a pretty

cruel type of letter to direct to a farmer, in my opinion, and I wish to read it to the house:

> Your application has been submitted to our head office for their consideration. We regret to advise, however, that they are not prepared to approve a loan at the present time. Under the circumstances therefore, your application has been declined.

Why was it declined? The farmer does not know. He asks himself, what must I do in order to secure a loan from the board? Are my assets too small? Are my liabilities too great? Why did they turn my application down? Surely another paragraph should be added to that letter in order to remove this doubt which arises in the minds of farmers whose applications have been rejected.

Mr. Speaker, I should like to spend a few moments discussing the tremendous increase in farm operating costs which has occurred over the past number of years. I began taking this matter up and collecting information with regard to it when I first came to Ottawa more than three years ago. On April 8, 1957, I received a report from the dominion bureau of statistics in which they dealt with the increase in the price of farm machinery. As the base years for its computations the bureau uses the period 1935-1939 as equal to 100. It is pointed out that in 1951, using this scale, farm machinery was equated at 186.8. Figures in subsequent years were as follows:

Farm Machinery

1952	195.4
1953	196.7
1954	197.9
1955	198.8
1956	209.4
1957 (January)	209.7

That table, Mr. Speaker, demonstrates plainly the continuing rise in the cost of farm machinery to the farmers of Canada. We find that in the same period and using the same basis of calculation the cost of equipment and materials had, by 1957, reached a figure of 210.7. The index figures of other necessary expenditures by farmers were:

Taxes and interest rates	177.2
Farm wage rates	512.5
Building materials	321.2
Gasoline, oil, grease	152.8
Feed	208.7
Fertilizer	180.5
Hardware	217.9

That is the picture showing the rise in the prices of goods and services for which the farmer must pay. What has happened to the prices of the goods he sells and has sold since 1951? Let us consider the price of wheat, for example:

1951	206.5
1952	195.3
1953	201.2
1954	186.6
1955	186.0
1956	183.2
1957 (January)	179.8

Now I should like to draw the attention of hon. members to the over-all picture, the index figures for composite Canadian farm products, showing what the farmers received for the goods they sold in the same period:

1951	268.6
1952	250.2
1953	221.6
1954	213.6
1955	211.4
1956	210.1
1957 (January)	211.6

That shows the story; farm operating costs continually climbing but the amount the farmer receives for the goods he has to sell, if he can sell them, steadily decreasing down through the years.

There is another matter which I feel is of pressing concern to the farmers of all of Canada, and that is the fact that they are finding it increasingly difficult to secure qualified farm help. The day of the farm labourer is in the past. When a farmer engages a man now he usually wants one who is qualified to handle mechanized equipment, tractors, tillers, combines, trucks and so on.

Men trained along those lines are not easy to come by, particularly in Western Canada, because if they can handle power machinery they can secure positions with the road contractors or in the oil fields, and so on. When these men in the oil fields or on road construction are laid off during the slack season they are able to collect unemployment insurance. Farm labourers are not permitted to come under the scope of the Unemployment Insurance Act, and I feel that perhaps it would be wise for the government to give serious consideration to the establishment of some form of unemployment insurance for men engaged in farming. Probably this matter could well be referred to the banking and commerce committee or to the agriculture and colonization committee for exploratory study and discussion.

In closing, Mr. Speaker, I wish to present to the government for its very serious consideration the following. I would suggest that the government make an all-out attempt to increase our overseas markets by accepting sterling or the currency of other lands; by engaging in barter deals and, in instances where the people of a nation are actually hungry and have no funds with which to purchase our foodstuffs, by outright gifts.

I would ask the government to give very serious consideration immediately to the establishment of government-owned permanent storage facilities in western Canada, and immediately extend the former policy of off-site storage so the grain can be moved from the farms into proper storage facilities.

I will again ask the Minister of Transport and other members of the government to immediately appoint a transport controller, not only with the responsibility but with the authority to see that there is an equitable distribution of box cars in the west at all times to enable the farmers of western Canada to deliver their grain to the elevator of their choice, not to the elevator that has room for a few thousand bushels. Whether or not the Minister of Transport or the Minister of Trade and Commerce realizes it, I am certain that the grain movement picture in western Canada is today far worse than it was a year ago.

I ask the Minister of Agriculture to give very serious consideration to the equalization of floor prices on hogs right across Canada to remove the discrimination that now exists as far as western hog producers are concerned. The established floor price as it now stands is $23 a hundredweight on the Toronto and Montreal markets. This floor price drops as one travels westward, until it reaches the low point of $18.25 on the markets of Alberta.

I ask the Minister of Finance seriously to consider bringing in amendments to the Canadian Farm Loan Act which will make the Canadian farm loan board of greater use to the farmers of Canada. I have in mind particularly the young men who wish to enter the agricultural industry. I ask that an amendment be made to the Prairie Farm Rehabilitation Act so it will include other areas in western Canada, particularly those in British Columbia and those north of the Palliser triangle in Alberta and Saskatchewan. I ask for a broadening of the scope of the Agricultural Prices Support Act in order to make this act of some worth-while value to the farmers from coast to coast in Canada, of use not only to the farmers of western Canada but to the potato growers of the maritimes and the dairymen of Ontario and Quebec, the fruit growers and turkey raisers, and so on, of British Columbia.

I ask that the government institute a thorough investigation into the whole freight rate structure with a view to eliminating the discriminatory rates which are now in effect in western Canada. I ask for the establishment of a committee to explore the possibility of establishing some type of unemployment insurance for the farm labourers of Canada; and finally I ask the government to give very serious consideration to the establishment of an all-risk crop insurance plan, in conjunction with the provinces, for all agricultural products grown in Canada.

Mr. J. W. Kucherepa (High Park): Mr. Speaker, I rise for the first time in this House of Commons. I consider it my pleasant duty to congratulate the hon. member for St. Paul's on his elevation to the high position he now occupies as the first commoner in this country and Speaker of this parliament. It is indeed a position of great honour and responsibility, and during the past few weeks in which he has presided over this house he has demonstrated his ability by having filled that position, if I may say so, sir, with fairness, with honour and dignity. I also congratulate the Deputy Speaker and the deputy chairman of committees of the whole on their election to their respective positions.

At the beginning of my remarks, Mr. Speaker, I would not want to miss the opportunity to sincerely congratulate the mover (Mr. Smith, Calgary South) and the seconder (Mr. Arsenault) of the address in reply to the speech from the throne for the manner in which they acquitted themselves of their tasks.

It is now my duty, Mr. Speaker, and a most pleasant one at that, to pay my respects to the Prime Minister and to offer him my respectful congratulations and those of my constituents in the riding of High Park in the city of Toronto upon his election to that high and most honourable post of Prime Minister of Canada. I sincerely hope, along with other hon. members, that with the help of God he will long retain the strength, the health and the vitality with which he has been so abundantly endowed. His recognized talents, his forceful personality, his vast experience, his deep sincerity and love of work, which have been already manifested in his brilliant career in public affairs, have led him to this position of great responsibility, which he has assumed with all the dignity and efficiency for which he has long been recognized. Indeed, Mr. Speaker, Canada is more than blessed that at this crucial time in her history a man of such outstanding capabilities as the Prime Minister should be available to assume the reins of government and guide our state through such changing and difficult times so as to win the acclaim of the free world, as the Prime Minister has, in such a short time.

Mr. Byrne: That is a matter of opinion.

Mr. Kucherepa: Mr. Speaker, I should also like to take this opportunity of expressing

my sincere regret that for reasons of health the hon. member for Quebec East (Mr. St. Laurent) has had to resign as leader of his party. As a physician I can fully appreciate his great personal sacrifice in staying on as the leader of Her Majesty's loyal opposition for the time being.

As a newly elected member, Mr. Speaker, I want to say that I regard it as a distinct privilege to sit in the same parliament as the Leader of the Opposition. As one who has served his apprenticeship in municipal government where members of such governments, notwithstanding political backgrounds, develop as a rule a fine appreciation of their fellows for their abilities and contributions to good government, I cannot help but say that the hon. member for Quebec East has had a long and noble career in the public life of this country. I am sure I express the feelings of all hon. members when I say that the people of Canada are fully aware of his devoted service to his country, and I am sure it is the sincere wish of all hon. members that Providence will grant the Leader of the Opposition the return of his vigour and health and many years of enjoyable life in peaceful surroundings amid his family and many friends.

May I be permitted at this point to say a few words about the city and the riding I have the honour to represent. I consider myself most fortunate indeed to represent the historic riding of High Park, which is located in the western part of the great city of Toronto and which, back in the year 1908, was itself known as the city of West Toronto. To most Torontonians the mention of High Park conjures in their minds that beautiful, large park which lies south of Bloor street just off the shore of lake Ontario and which, in its class, probably has no equal anywhere in the Dominion of Canada.

High Park riding contains as well some very fine residential districts, many churches, fine commercial and substantial industrial areas and, most important of all, friendly, God-fearing people of many backgrounds who have captured the community spirit and are making one vast contribution to the welfare of not only the city of Toronto but the whole Dominion of Canada. As a native Torontonian and as a member of its municipal government I have, of course, great pride in my city.

Toronto is recognized today as the fastest growing city in North America. With this fantastic growth naturally one would expect problems, and we have some; and, Mr. Speaker, we are going to look forward to this parliament to assist us in resolving some of our difficulties. It is important to the whole Dominion of Canada that these problems be resolved. I believe that most hon. members are aware of the fact that within a radius of 100 miles of Toronto is concentrated one-third of Canada's buying power, and that over 27 per cent of all taxes collected by the federal government come from the area known as metropolitan Toronto.

Toronto has achieved world fame in many ways. For example, standard time was invented in Toronto by Sir Sandford Fleming. I could not help but mention that insulin, used in the treatment and control of diabetes, was discovered in Toronto by Doctors Banting and Best, and there sits among us in this house a worthy son of one of these famous Canadians. Of course I refer to the hon. member for Halton (Mr. Best). I should like to say much more about the history and the amenities of the city of Toronto, but time being of the essence I shall try to deal with the most pressing problems facing our people not only in High Park riding and the city of Toronto but also in many other parts of our country.

Municipalities in Canada today are hard pressed to raise the necessary moneys to provide an adequate level of services within the field of municipal responsibility. The reason for this is obvious. It is the steady shrinkage of the municipal share of the tax dollar, which has reached an all-time low during the past few years. The previous government offered a token of relief when they removed the limitation factor governing grants in lieu of taxes on crown-owned properties, something for which municipal governments had been making representations for over two decades. This is merely begging the question, for this has been an unfair charge against municipal taxpayers for direct services rendered to crown-owned properties, and something more substantial will have to be done, such as reallocating the tax dollar, if municipal governments are to be given the means to carry out their many and heavy responsibilities.

Although a great deal has been said from time to time respecting the responsibilities of the higher levels of government and relieving municipalities of certain services usually described as social welfare services, little has been accomplished in this connection, especially in so far as the federal field is concerned. I realize that the municipalities are sometimes described as creatures of the provinces. On the other hand, it is quite evident that the federal authorities cannot be oblivious to the needs of the municipalities. Indeed I feel very strongly on this subject, when I realize that some municipalities have larger budgets than some of the provincial

governments, although I concede that in a confederation of ten provinces such as Canada, the responsibility for presenting the municipal position falls squarely on the shoulders of the provincial governments.

In fairness to the provinces, however, especially in the case of the province of Ontario with whose grant system I am acquainted, I must say that the assistance they have given, for example, to the municipality of metropolitan Toronto has been for the most part fair, if not quite adequate. They have provided 50 per cent of capital and current costs of roads, 50 per cent of capital and current costs of aged persons' homes, a $5.50 per capita unconditional grant for social and welfare services and administration of justice costs, 40 per cent of children's aid society costs and 25 per cent of current and 18 per cent of capital education costs.

The people of metropolitan Toronto have been subjected for the first time this year to a special 2 mill capital levy. This extra taxation is attributable to the tight money policy adopted by the previous government on recommendations of the Bank of Canada and the federal reserve bank, which became alarmed by the inflationary tendencies that became evident during the year 1956. In 1953, Mr. Speaker, the municipality of metropolitan Toronto was able to prepare a 10-year program of $750 million of capital works because, enjoying a triple A credit rating as it did, it was able to borrow money at 3½ per cent. However, the increase in interest rates from 3½ per cent in 1954 to 5.3 per cent in 1957 demanded a reconsideration of this program of capital works, for a 2 per cent increase in interest rates over 20 years, which is the usual period of municipal debenturing, means a 40 per cent increase in the cost of projects which, added to increased costs resulting from shortage of materials, the increased cost of living and increased wages, made some capital works extremely expensive, if not prohibitive.

The special 2 mill capital levy was essential to permit the municipality of metropolitan Toronto to continue its essential capital works program. Otherwise a cut-back of $11 million in the capital works program would have had to be made. Notwithstanding any other factors, and there were others such as the increased cost of living, the direct cost of the tight money policy to the municipalities of Canada in 1957 amounted to many millions of dollars. As the previous federal administration was responsible for this policy, I submit that the present government should do everything possible to assist our hard-pressed municipalities, even though this may have to be achieved through constitutional channels involving the federal and provincial governments.

Another matter, Mr. Speaker, which I believe deserves the early consideration of this house, is the bringing up to date of the present unrealistic grade crossing fund. The maximum contribution allowable from the fund for any one project is $300,000, and the total amount available for all projects in Canada is only $5 million per year. The registration of motor cars in the Toronto area alone has increased from 113,313 in 1945 to 429,322 in 1957. It has almost quadrupled in 12 years. Over 300,000 cars were sold in the Toronto area alone during this period.

The government of Canada derives a constantly increasing revenue from the excise and sales taxes on automobiles and other products in the motor field. This revenue amounts to some $300 million to $350 million annually, while federal expenditures on the trans-Canada highway and other roads under federal jurisdiction account for only a small portion of these revenues. The balance of these great revenues should be utilized to provide facilities for the movement of vehicles, rather than have this burden fall on the backs of the already overburdened ratepayers in municipalities. In many cases, because of the excessive cost and the disproportionate share required to be borne by municipalities, grade separations are not being proceeded with, and this is not in the public interest.

Motor car accidents, Mr. Speaker, constitute a major national problem. In 1955, for example, 2,799 people were killed in the Dominion of Canada and 65,655 were injured, in a total of 224,348 accidents. The economic loss resulting from these tragedies is estimated at over $200 million annually. Surely this is a problem which demands solution. This problem should be tackled by all available agencies at all levels of government. For our part, Mr. Speaker, we should not hesitate to increase the grade crossing fund to a realistic point, thereby eliminating as quickly as possible some of these hazards to life and limb. This procedure would also provide a substantial amount of employment in many areas of the country where there is need for some action on the part of this government to alleviate a condition which has been developing for some time, and which this government inherited from its predecessor.

In the United States the federal government devotes billions of dollars to interstate highways, major freeways and the like. This type of aid is lacking in Canada. I submit it

would be a step in the right direction if the government of Canada were to develop a formula in this connection somewhat similar to that which is invoked in the province of Ontario, whereby the province shares, directly or through its agencies, 50 per cent of the costs of grade separations and allied projects. I was therefore very happy, Mr. Speaker, to note that in the speech from the throne reference was made to a federal-provincial conference for the purpose of discussing fiscal relations and of seeking a better understanding and arrangement of many aspects of our public finances. In this regard, I hope the provincial government will see fit to invite representatives from municipal governments to attend this conference, in so far as that may be possible.

May I reiterate that the backlog of capital works necessary for the proper development of our municipalities is constantly rising. In part this is due to the high interest rates which municipal governments are forced to pay on borrowed money, but is also attributable to the failure of other levels of government to assume their full share of those responsibilities which are constitutionally theirs. I shall be looking forward with great interest indeed to the solution of these vexatious problems through the forthcoming federal-provincial conference.

May I call it one o'clock, Mr. Speaker.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Kucherepa: Mr. Speaker, in the industrial part of my riding are located, among others, the various elements which constitute the packing industry. Because of this proximity, and further because as a member of the Toronto board of health I have been keenly interested in this matter, I should like to bring to the attention of this house the problems arising out of the present, primitive and inhumane method used in the slaughter of our food animals.

It seems that in this field Canada has been lagging badly in taking the necessary legislative steps which other countries, no more progressive than we, long ago adopted. The broad principle of humane slaughter for our food animals may be enunciated as follows; that no animal being slaughtered for food purposes should be shackled, hoisted, hung, cut, bled or scalded without first having been rendered unconscious and insensible to pain in a humane manner.

[Mr. Kucherepa.]

In the case of ritual slaughter, Mr. Speaker, the present preparatory methods of shackling, hoisting and, so on, are deplorable. In England and in other countries the casting pen and other means have been used which eliminate the most inhumane aspects of ritual slaughter. Humane slaughter or slaughter practices by which animals are rendered unconscious and insensible to pain prior to being slaughtered is compulsory by legislation in many countries.

Under the Criminal Code of Canada it is an offence to cause unnecessary pain or suffering to an animal or bird. What in effect is being asked is that this broad statement be defined in such a way that the current primitive and inhumane methods will be discontinued. For the workers in packing house plants the present methods are laborious, unpleasant and unsafe, the accident rate in this connection being one of the worst of any industry on the continent.

I must say, Mr. Speaker, that to the credit of some of the packing house operators in my riding they are adopting more up to date practices. However, until this government passes the necessary legislation, allowing the packers adequate time in which to carry out studies and plant changes, with an effective date, we shall not be able to march abreast of those other civilized countries which met this challenge many years ago.

At this time I should like to pay tribute to those kind people who have taken such great interest in this subject. Among those who have given outstanding service in this crusade I cannot help but mention Mr. George Bryant, who is a newspaper writer in Toronto. His countless articles on this subject have contributed much to public opinion.

I was happy indeed to hear that the meat packers' council of Canada has notified the government that "it welcomes the introduction of federal humane slaughter legislation". Along with the O.S.P.C.A., which has been spearheading this crusade for some time, and in conjunction with the packers, I believe that, if this government could now present to this parliament the necessary resolution which would embody the principles to which I have referred, then the bill could be presented later this session as soon as proper regulations could de drawn up. The important thing, however, Mr. Speaker, is that we in this house by our support of such a resolution could contribute immensely toward the almost immediate cessation of these primitive and inhumane methods used in the slaughter of our food animals.

I should now like to say a few words with regard to a problem which affects the

metropolitan Toronto area and the surrounding municipalities, all in all an area of about 1,000 square miles, which is represented in this house by 21 hon. members. As an executive member of the metropolitan Toronto and region conservation authority I am especially interested in the solution of this problem which affects about one-tenth of the people of Canada who live in this area.

As you are aware, Mr. Speaker, three years ago hurricane "Hazel" caused 80 deaths on one of the several rivers which drain this area. At that time the government of Canada contributed a considerable sum of money for flood relief in this region as well as men and equipment from military and civil services, for which indeed, the people of this area were most grateful. However, a scheme is now being prepared which would permanently solve this problem, provided federal aid were made available in conjunction with provincial assistance.

The cost of this permanent flood protection would be in the order of about $30 million, a sum far too great to be assumed by the real estate taxpayers in the area. I realize that there are similar problems in other parts of the country; and I would therefore urge the government to work out a detailed formula which could be applied to any such project so that local authorities might be able to prepare plans, having a definite goal in sight. The government should determine a cost-benefit ratio policy on such projects, based not only on primary and direct benefits but also on secondary benefits which would include both tangibles, such as resulting public parks, and intangibles such as the avoidance of epidemics, the facilitation of national defence and so forth.

As a firm believer in conservation I was very happy indeed to hear in the speech from the throne that at long last Canada will see the beginning of a national development policy which, carried out with the co-operation of the provinces and the territories, will enable all regions of Canada to share in the benefits to be realized in developing the resources of this great nation. There is no doubt in my mind that we stand on the threshold of a great and glorious era in the history of Canada, provided we are realistic with regard to this most important aspect of our economic development.

It was most gratifying to hear the Minister of National Defence announce the change in emphasis from militia training to civil defence organization. This is just another accomplishment of a government which has been in office for only a short time but having new and vigorous ideas. This government I am sure will not only produce efficiency in defence spending but also, and this is most important, prepare our country properly for a challenge we hope our people will never have to face. Preparedness, Mr. Speaker, is an old motto but not an outmoded one. No matter how devastating an attack may be, indeed the more devastating it is,—the greater will be the need for a strong civil defence organization.

Civil defence is necessary to care for survivors, to organize essential services, provide for shelter, transportation and all those things necessary to keep body and soul together in trying times. Without civil defence there can be little hope of survival in the atomic era. In this age of expansion it is necessary that our soldiers be trained not only as effective combatants but also as efficient civil service personnel. Only through successful civil defence operations can we hope to reach the point where we will be able to carry out the final military operations necessary for a successful conclusion of any hostilities which might arise.

The best defence against possible disaster in the years which lie ahead, is a strong dependence on self-reliance, based on superior scientific knowledge but without the sacrifice of the humanities. This can only be attained by the further establishment and dramatic expansion of our educational and scientific institutions. We hope this nation can fully avail herself of her tremendous God given resources of brainpower which are being allowed to waste away because of the inability, for various reasons, of those responsible in this field of human endeavour to harness this latent potential of our people in the interests of peace and humanity. It was indeed gratifying to hear the assurances of the Prime Minister in this regard made in this house last week.

The world situation in many respects is alarming, but let us not lose faith. We in Canada, constituted as we are of many peoples from many lands, have a vital role to play which can do much to bring peace and stability to a troubled world. Discouraging as the situation may appear to some people, let me say that we in the free world, especially we in Canada, have an advantage which all the weapons, bombs, sputniks and muttniks cannot overcome. It is not only a moral advantage but a physical one, through the bonds of consanguinity which we have with the tens of millions of people who today are enslaved by that international tyrant called communism.

Their enslavement, which we hope will soon end through the efforts of free people everywhere, is a prevailing state of affairs which will in effect hold back any insidious

intentions the Russian leaders may have toward world expansion, until one day the core of communism, being what it is, will crack up and go the way of all dictatorships. When it does we, through our various efforts in the British commonwealth of nations, in NATO, through assistance to underdeveloped countries and especially by our efforts in the United Nations, will have made a real contribution, worthy of our heritage, in helping to bring freedom to nations now enslaved in one form or another by modern Russian imperialism, which at present disguises itself under the cloak of international communism.

To hear these communists rant and rave and disseminate falsehoods about Great Britain, which country has brought through education and evolution freedom, democracy and self government to many former colonies and formerly backward peoples, is a colossal violation of the truth which history will one day expose, even as it will reveal the insidious and brutal methods that communists have used to enslave one nation after another until today most of eastern and central Europe is under their domination.

Many of the people who are today subjected to communism are nations that only two score years ago won their freedom and independence after centuries of enslavement. I predict that they will be free again, for I believe that truth and justice must one day triumph; and I know our efforts toward this end will win for us the eternal friendship of all these nations, most of whom are related and joined by racial ties to many of our Canadian people.

Much has been said about national unity by some of the hon. members in this house in weeks gone by. I could not understand the reasoning behind some of the remarks of these members, unless they were a manifestation of a kind of parochial thinking which most Canadian people had believed no longer existed in our country. I think most hon. members have heard on countless occasions exalted speakers of the Liberal party announce and reiterate the achievements of national unity amongst the people of Canada, which they claimed were built on rugged foundations which would forever hold. Now that the Liberal party has suffered a defeat at the polls it seems that in the opinion of some of the hon. members of that party this means the end of national unity in our country. If anything, I would say those revealing and startling remarks made by some of the hon. members opposite merely serve to underline the fact that the Conservative party which now forms the government has, as those speaking the truth always will, emerged as a great Canadian party which represents all the provinces and all the groups which constitute this great Canada of ours.

I want to say that our party by virtue of its composition, built as it is on this broad national foundation and having as it does representatives from not only the two great ethnic groups of which some hon. members have spoken but also from other important groups, ethnic and otherwise, will jealously guard the rights of all minorities, big or small, notwithstanding the fact that a particular group may, on occasion, and for quite plausible reasons, support more strongly some other party.

I do not think there is anything remarkable in this regard about the results of the June 10 election. Nine of our ten provinces contributed most of the increase in the number of seats held by the Conservative party in the House of Commons. The people of Canada wanted to change their government, and they voted for a Conservative administration. In so far as the people of Quebec are concerned they did what I consider to be rather a common thing in free elections; they supported what is known in political parlance as "their favourite son"; a man who is a great Canadian and who has always commanded a great deal of personal support in his home province, even as some other outstanding hon. members of this house, past and present, have commanded support in other years and in other parts of the country. That man of course is the right hon. Leader of the Opposition (Mr. St. Laurent).

I believe this is a common condition existing not only in Canada but in other democracies. What I do think is unfortunate for the members opposite is that right now, at least, there is not one among them who could possibly emulate that distinguished Canadian of whom I have just spoken. Therefore I have every confidence that when the opportunity presents itself the good people of the province of Quebec will join the people of the other nine provinces in supporting, in equal measure, the Conservative party which is today the living symbol of national unity in every sense of the word.

We have on this side of the house men and women who can trace their origin to almost every major ethnic group in Canada, including some very fine representatives, if I may say so, from the great province of Quebec, of whom we are justly proud and of whom we expect many more in the next parliament.

In conclusion I appeal to all hon. members of this house not only to preach national unity but to practice it inside and outside

these walls; for I firmly believe, as do most Canadians, that although there is not uniformity in all things amongst us, there is full agreement among Canadians in all those things which unite us.

Mr. F. S. Zaplitny (Dauphin): In the interests of saving the time of the house, Mr. Speaker, I will not extend congratulations to all those who have so richly deserved them since this debate began, but will content myself by associating myself in this regard with my leader, who so ably handed out the plaudits when he made his most excellent address.

Likewise I do not intend to spend any considerable time on the contents of the speech from the throne, chiefly because we have already dealt with a good part of it in the form of legislation, and the amendment now before the house very clearly states our position in that regard. We have indicated in our amendment approval of all those progressive measures which have been put before the house or which are still to come and to which we will give support because as a matter of fact they are part and parcel of what we have been advocating for some years.

At the same time our amendment sets before the house something rather more solid about which to think, and that is the question of dealing with the basic economic issues. Unless these are faced and solved, it will not be possible to hand out what might be called Christmas gifts in the next speech from the throne. We have to build a firm and solid economic base which will make it possible to produce the wealth, and so distribute that wealth as to bring about the best possible social security in this country.

There are two omissions in the speech from the throne to which I wish to refer, and I will do so briefly. One is the lack of any action with regard to federal aid to education. This is a question which has been raised in this house on numerous occasions. If I remember correctly, I was the one who first introduced the matter in the form of a resolution back in 1946, and the subject has been introduced and debated on nine or ten occasions since that time. The present Prime Minister, as I recall, together with a number of his colleagues, gave approval while in opposition to the proposition I put forward, but unfortunately I failed to find any reference to the matter in the speech from the throne, or any indication that the government is planning to do anything with regard to it at the present session of parliament. I hope they will come up with something before next session.

The other omission I wish to mention has already been referred to; that is the lack of any increase to war veterans under the Canadian Pension Act. It seems to me somewhat unfortunate that at a time when we have provided for a general increase all down the line under our social security measures, modest as it may be, we should not have seen fit to increase at the same time and a least in the same proportion the pensions which the Canadian veterans have so well earned.

The subject with which I wish to deal almost exclusively this afternoon is one which I consider to be a very important issue in this country at the present time, and which I predict may become one of the most important issues of all in the near future. I refer to the recent proposal made by the government of Great Britain to Canada to establish a free trade area between the two countries. In my opinion that offer was a historic event which unfortunately has been kept in the background so far as the present government is concerned. It is a very important issue for many reasons, but even if you look at the matter purely from the point of view of dollars and cents it is evident that it is time parliament faced this problem and dealt with it effectively at this present session, because it is obvious that the question of trade, tariffs and trade restrictions affects every Canadian at all times.

The house may be interested to know that in the last 10 years alone the Canadian people have paid out in the form of tariff duties for the goods they have imported from various countries overseas and to the south almost $4 billion. I have all the figures here before me. Obviously I cannot quote them all, but if we look up the records back to the time of confederation we will find we have paid out in customs duties and tariffs in this country more than Canada's total national debt.

This sum represents what has actually been collected in the form of revenue from the various duties. In addition the Canadian consumers have, in my opinion, paid a sum equal to if not greater than that amount in the form of prices which have been artificially inflated by those industries which have been able to increase their prices unduly because of the umbrella protection which our tariff structure provides for them. So if one takes into account what has been paid in actual cash into the public treasury in the form of tariffs, and adds the artificially high prices charged by industries which have produced goods protected by tariff barriers, we reach a fantastically high figure; and for that reason alone every Canadian should be interested in this particular question.

I wish to place my stand on this question fairly and squarely before the house, if for no other reason than to provoke a real debate on the whole subject of a free trade area. So far as I recall it, only oblique references have been made to the matter in various parts of the house but no one has really dealt with it thoroughly. I wish to make a case to the best of my ability for the establishment of a free trade area between the United Kingdom and Canada. In my opinion Canada should accept the proposal made by the United Kingdom, and do so with great alacrity. There are strong and compelling reasons why we should do so, and I should like to place before the house five advantages which are to the obvious benefit of Canada, though this number does not by any means exhaust the list.

First, it would reduce the cost of living in Canada, a problem which is our No. 1 headache at the present time. Second, it would improve our export position with regard to primary products so far as the United Kingdom is concerned. Third, it would improve the quality of our consumer goods in Canada. Fourth, it would help to level out our trade balance; and fifth, it would be a step toward the solidarity of our commonwealth.

Now I wish to say a few words about each of these advantages. First a reference to the cost of living. This is a very important issue in Canada and it is one which is often, and in my opinion quite erroneously, referred to as inflation. I do not consider that the present unusually high cost of living in this country is a matter of inflation. Inflation, in the true sense of the word, is a condition in which there is a shortage of goods and services in relation to the availability of purchasing power. I am sure we will all agree that this is not the situation which exists in Canada at the present time; in fact, in regard to primary products the very opposite is the case. We are in a surplus position so far as agricultural products are concerned; we are in something of a surplus position so far as wood products are concerned; we are in a surplus position so far as base metals are concerned, and we seem to be quickly reaching a surplus position in the case of almost every primary product in this country.

So there is not a shortage of actual goods; that is not what is causing the condition which we call inflation, or the high cost of living. What is, in my opinion, causing the high cost of living is the systematic and arbitrary increase in prices on the part of those industries which enjoy either monopoly positions or near monopoly positions, and which so operate that they take full advantage of the umbrella of protection which they have enjoyed for a long period of years.

In such a situation as this the establishment of an area of free trade between the United Kingdom and Canada would immediately open an alternative source of supply to the Canadian consumer. This does not mean that British-made goods would replace Canadian-made goods, but it would mean that the Canadian consumer would have an alternative choice, and the existence of an alternative choice of a source of supply would automatically tend to bring the prices of Canadian made goods somewhere near their true value rather than the inflated value now shown on the price tags.

Second, with regard to the export of primary products, it has been said by a number of hon. members in this house and elsewhere that the United Kingdom has been scrambling around for several years in an effort to raise dollars with which to buy Canadian products. The export-import figures indicate what the situation is at the present time. Taking the first six months of 1957, from January to June, which are the latest figures I can find, we see that we have exported to the United States in that period goods to the value of $1,391 million; but we imported from the United States goods to the value of $2,139 million, giving them a favourable balance of trade of about $800 million in a period of six months. In the same period we exported to the United Kingdom goods to the value of $341 million and imported from the United Kingdom goods to the value of $260 million, leaving us a favourable trade balance of $81 million.

That indicates a trend that has been developing over the years, and it is a trend which is dangerous both to Canada and to the United Kingdom. We have been buying more and more from the United States and attempting to sell more to the United Kingdom than we have been buying from her. Inevitably the time is going to come when the United Kingdom and other commonwealth countries are going to say to themselves, "If we cannot sell our goods in Canada and so earn dollars with which to buy her exports to us we are going to have to look elsewhere for that opportunity". Therefore it is not surprising that Great Britain is becoming increasingly interested in a free-trade area on the continent of Europe. I warn hon. members, and the government particularly, that unless we show some interest in the proposal which was made to Canada by Great Britain for a free-trade area, then Great Britain may decide that we are simply not interested in carrying on any large volume of trade with her and will

almost inevitably give her attention to the building up of a free-trade area on the continent of Europe, and that could be disastrous to the export of our agricultural products in the future.

I come now to the question of the quality of consumer goods in Canada. In my opinion there has been a steady and a sad deterioration in the quality of manufactured goods in Canada since the war. In my opinion at the present time the Canadian consumer is the victim of jerry-built junk, which is sold through high pressure advertising and through appearance, new styles and new models, rather than through quality. Unfortunately the emphasis seems to be on appearance and on selling rather than on building goods which will serve. Goods are made to sell and not to serve. It is perhaps most evident with regard to the consumer goods in lines such as textiles, automobiles, electrical appliances, furniture and things of that kind. With the exception of certain types of heavy machinery and some of the building materials, it is my opinion that the consumer goods offered to the Canadian public by Canadian and United States manufacturers are now at an all-time low.

It might be interesting to interject at this point that it is rather strange that so far as the agricultural producers are concerned, we have built up a rather elaborate system of government grading of goods which are produced by the farmers, particularly at the producer level, so the consumer may be protected when he is buying food products that have been government-inspected, government-stamped and approved to show that they are of the proper quality and wholesomeness. But how many of our manufactured articles are government-inspected or government-approved? When a man buys an automobile, a radio, a television set, a pair of shoes or anything of that kind, and pays very high prices these days, what guarantee has he that he is getting the quality for which he is paying?

The benefit of a free-trade area with Great Britain would, in my opinion, help to improve this situation. British-made goods, over a period of years, have built up a world-wide reputation for quality. I think the manufacturers of Great Britain have followed a very sensible long-range policy in realizing that in the long run it is the quality of the goods and satisfied customers that bring the business; it is not a question of being able to put on a high-pressure selling job and move a whole volume of goods in a short time; to make a big profit, get in, get rich and get out. They are in business to stay, and they try to give the customer satisfaction. I think it could act as a very good example for Canadian and United States manufacturers if they could put some of their goods within reach of the Canadian people so we could test their quality against the shoddy junk that is being offered on the Canadian market today.

I come now to the balance of payments. I have already mentioned the export and import figures as between Canada and the United States and Canada and Great Britain, but there is also a large amount of money involved in the question of interest and dividend payments. Here again we find that in the year 1956, the latest figures for a whole year, on the interest and dividend account we received from the United States $75 million, in round figures, but we paid to the United States in the same year $533 million, giving us a deficit of $458 million. We received from the United Kingdom $20 million; we paid out to the United Kingdom $72 million, leaving a deficit balance of $52 million. If we take all other countries together we find that we received from them $140 million and paid out to them $530 million, leaving a deficit for Canada of $390 million. If we add all these deficits together, on interest and dividend account we find that in 1956 we were in a deficit position to the extent of $900 million, almost a billion dollars.

There are two ways in which we could help to level out this enormous deficit on interest and dividend account. One of the ways would be for Canadians to invest more money in Canada rather than depend to such a great extent, as we have in the past, upon investment from the United States. I think this is a field which has yet to be properly explored. I would recommend to the government that they give rather more attention to this question than has been given in the past. Time will not permit me to go into all the various ways in which this could be done. I would recommend that the government ask some of the experts to study the field and try to find ways and means by which they could open up to the Canadian public avenues of investment in Canadian industries and in the development of Canadian resources, and to that extent stop leaning upon United States capital to such a fantastic extent as we have been doing in recent years.

Then there is another way in which we could help to level out that situation, and that would be by accepting sterling in exchange for some of our exports. So long as sterling remains unconvertible the best way in which we could dispose, or make use, of that blocked sterling we would receive would

be to invest it in the commonwealth countries. In my opinion there is a large field for that purpose. I think Canada is suffering to some extent from a sort of national inferiority complex so far as finances are concerned. We have become too used to the idea that we have not any capital. I think it is a myth which has lived much longer than it has any right to live. We have been in a debtor position for so many years that we seem to think that is where we have to stay.

Now that the shoe is getting on the other foot I think we have the responsibility within the commonwealth and in the world generally to begin now to use the resources and the capital that we have in this country, not only to develop our own industries but in assisting to develop the industries and resources in some of the commonwealth countries which have not been so fortunate as we have been in recent years. By doing these two things, first investing some of our own money in our own industries rather than using foreign capital and, second, by accepting sterling as part payment for our export goods, we can materially reduce our deficits on interest and dividend account, and eventually I feel we can arrive at a surplus position.

I come to the fifth advantage I mentioned with regard to a free trade area between the United Kingdom and Canada, and that is the question of solidifying the commonwealth. I know when I say that it might sound more like a sentimental argument than an economic one, and it is perhaps a phrase that sounds rather platitudinous because it has been mentioned so often before. This idea of solidifying the commonwealth, Mr. Speaker, is something I suggest in all seriousness. History shows us that if we want to maintain a solid and lasting political entity such as the commonwealth which, in my opinion, is the most wonderful association of free peoples which has ever existed, then we must lay an economic basis in order to make that political entity possible.

We cannot keep the commonwealth together on pure sentiment. We must be prepared to show that as a nation we are ready to play the game within the family of nations which we call the commonwealth. We must be prepared to set an example to our members of the commonwealth by establishing the most solid economic relations possible with the United Kingdom. We must remember that the commonwealth now is a much larger entity, both in area and population, than it was only a few years ago. We have now the Asiatic and African peoples who belong to the commonwealth. They are countries relatively new in relation to history, and I am sure they are looking to us as one of the senior or older members of the commonwealth to show an example of economic co-operation.

We talk about the political and economic freedom in the world. Here we have right within the commonwealth a grand opportunity to accept and put into effect both political and economic co-operation, and if we fail to accept the proposition of the United Kingdom for the step by step, gradual building up of a free trade area I am afraid we will not be fulfilling our responsibility as a senior member of the commonwealth to accept something which is economically sound and politically necessary. A challenge has been given to us, and I hope there will be the statesmanship on the government benches that can accept the challenge and utilize it in the best interests of this nation and of Great Britain.

I would also add to the five advantages I have mentioned three specific steps that I believe would have to be taken within Canada in relation to the whole question of a free trade area with the United Kingdom. First, if we are going to make an effective job of it I believe we should set up an export-import board. So far as the disposal of our surpluses is concerned, I believe we are going to have to give greater attention to bulk sales and may even have to give some consideration to barter deals. Therefore an export-import board established for the purpose of most efficiently and intelligently organizing our trade within the free trade area is a must. It is a necessity. It is not a question of choice. I believe we should lose no time in setting up a board of that nature, made up of qualified personnel who would be given the duty and responsibility of exploring the whole field of a free trade area and finding the best means by which we could move the largest volume of goods both ways in order to make such a plan fully effective.

Second, I believe that as a nation we should make the greatest possible use within such free trade area of our co-operative movement both in Canada and the United Kingdom. It so happens that in our own country the co-operative movement has developed more or less along producer lines, and so far as the prairie provinces at least are concerned we now have a highly developed and very efficient system of producer co-operatives which have the know-how, the machinery and experience in that phase of the co-operative movement.

We have not advanced quite as rapidly in the consumer co-operative field. On the

other hand in Great Britain, particularly in Scotland, the consumer co-operative movement has developed rapidly and very soundly and efficiently. I thing we can make use of both phases of the co-operative movement. I think they complement each other, and I believe that within a free trade area, with proper government encouragement and co-operation, the co-operative movements of Canada and the United Kingdom can be important instruments in efficiently organizing two-way trade. I will not have the time to go into detail on this matter, but I feel very strongly that we as a parliament and the government have too long ignored and neglected the economic values in the co-operative movement, and should be prepared to make greater use of that movement.

Third, I would recommend that we make every effort as a parliament to make greater use of port Churchill in Manitoba. Port Churchill is the nearest seaport to the greater part of the three prairie provinces. It could be built into a large metropolis if it were given some encouragement. One way in which it could be given encouragement would be to make the greatest possible use of that port as a trading centre or port of entry and export with the United Kingdom. As a matter of fact I would go so far as to advocate that port Churchill be made a free port of entry for British-made goods. That in itself would provide great encouragement for the building up of facilities and the greater use of that port, and eventually would pay large dividends in western Canada.

That is the case I make at the present time for the acceptance by Canada of the offer made by the United Kingdom to this country. But I wish to say that since the proposal was made it seems to me we have had a thoroughly disappointing response on the part of the government. I do not wish to repeat this too often, but we know that the present Prime Minister, in campaigning throughout the country, repeatedly stated that he would like to see an increase in the trade between the United Kingdom and Canada. He made a specific proposal that he would attempt to divert about 15 per cent of our trade with the United States to Great Britain. That gave the people of Canada reason to believe that if a new administration took office the new government would take some specific steps immediately to make some sort of proposal to the United Kingdom.

You can imagine the shock that many of us who are keenly interested in this matter felt when not only did the government not make any proposals to the United Kingdom, but when the United Kingdom made its proposal the Canadian government seemed to react in a sort of horrified manner as if to say well now, look, fellows; surely you did not need to take us quite that seriously. We did not really mean what we said. We were just talking in terms of elections, and now all of a sudden you come and offer us free trade.

I believe the government of Canada should have given approval to the principle of that proposal immediately, and should have begun immediately to lay some plans for putting it into effect. What they have done so far has been thoroughly disappointing. I am not of an unduly suspicious nature, Mr. Speaker, but if I were I could quote extracts from such newspapers as the *Leader-Post* of Regina, the *Star-Phoenix* of Saskatoon and the *Free Press* of Winnipeg, and also the words of Premier Matheson of Prince Edward Island, all of which, since that offer was made, have expressed the belief that the government is not interested in expanding the area of trade with Great Britain, is not interested in a free trade area, and feels that somehow in some way it is going to get itself off the hook on this matter without having to answer to the electors.

I hope for its own good the government will not attempt to do that as far as western Canada and the maritimes are concerned. In fact I doubt if they will get away with it even in central Canada, but certainly they will not get away with it so far as the prairie provinces are concerned. They have made certain pledges. Their leader has stated that he would divert a certain amount of trade from the United States to Great Britain. Now that the offer has been thrown in his lap we are sitting back and watching to see what he is going to do with it. No amount of excuses, no amount of dodging about is going to get him out of this situation. He is firmly committed to enlarging the area of trade with Great Britain. We feel that Great Britain has made a statesmanlike offer, a sensational offer, which should have been immediately accepted by Canada. We are waiting to see this indecision and bumbling, in which the Minister of Finance is becoming an expert, come to an end and have the Prime Minister rise in his place and announce that Canada is accepting in principle the British proposal and is taking concrete steps to put it into effect.

Mr. J. H. Harrison (Meadow Lake): Mr. Speaker, it is some little time since I made a speech in this house, in fact it is some little time since I made a speech. I am making this one as the result of a promise I gave during the last election campaign to the effect that I would make a speech, not during the campaign but afterwards. I am therefore

in some danger, if I can last out the next 30 minutes, of fulfilling the only promise I made to my electorate during the last campaign. In that respect I am in a little more satisfactory position than some of those to your right, Mr. Speaker, who still have their troubles ahead of them.

When I went home at the end of the last session I found that the people were quite familiar with the issues of the campaign; in fact they were sick and tired of issues and speeches. As a matter of fact the only issue in my particular riding so far as I was concerned was whether or not my constituents endorsed the kind of representation I had given them in the past, and particularly whether or not they endorsed the fact that I spend about $5,000 per year of my salary in covering the tremendous area that is mine to represent. This expenditure results from the fact that about 90 per cent of the constituency has to be covered by airplane. I made no promises in this regard during this campaign, because I had made the promise some 13 years ago and have kept it since. My only difficulty would arise if some of those who opposed me at the time gave some concrete guarantees that they would do the same as I had done. Since this situation did not arise there was not too much point in discussing issues, so far as I was concerned.

There has always been a bit of the minstrel in me and this came to the surface during the campaign, because I conducted most of my campaign with an orchestra and did not discuss any of the issues whatever. I was panned pretty hard by some of the newspapers in some editorials for this, but of course they did not know the background and the fact that the issues were fairly well under control as far as that area was concerned. What I was interested in was getting around to see as many people as possible. The idea of taking part in an acrimonious debate appealed neither to myself nor my electors at that moment.

Having made these preliminary remarks, Mr. Speaker, I shall now get on with the proposition of fulfilling my promise to my electors, namely that I would make a speech after the election. During the early part of this debate I was intrigued by a line or two in a speech made by my good friend the hon. member for York West (Mr. Hamilton). He was talking about the improvements that had come about under the new government in a very short time, and he said:

> Take a look at the headlines. What a change there is from the last ten years.

I took the hon. member at his word and looked at a few headlines. I did not find his contention was borne out by the headlines at which I looked but perhaps we looked at different headlines. These are examples of the headlines that I found that were not common during the previous ten years when we had a Liberal government and when our economy was at such a high level that it was next to that of the United States who lead the world. I have picked these examples at random, and I shall read the headlines only: "Cost of Living Reaches 123.4, All-Time High"; "Grain Glut on Great Lakes Very Serious"; "Faltering Prices May be Portent of '58 Business"; "Predict Record Expansion Era to end Next Year"; "Business Failures Rise 16 Per Cent in Eight Months"; "Alberta Oil Demand Lowest since 1955"; "Canadian Stock Markets drop in Frantic Selling"; "Canadian Stock Markets Suffer Severest Losses"; "Stocks Fall Again, Uranium Off Most"; "Place 31 Per Cent Fewer, Job Vacancies Off"; "Jobless List Rises Sixth Straight Week"; "Unemployment Rises for Seventh Week in Row"; "Jobless Rolls Rise Sooner than Usual"; "450,000 Jobless This Winter, Labour Warns Diefenbaker"; "Hudson Bay Net off 60 Per Cent as Metal Prices Dip"; "Shutdown of Mines in B.C. is Becoming Increasingly Serious"; "Oil and Gas Export Policies Non-Existent while Industry Position Gets Worse Daily". Those are some of the headlines I noted, and certainly those are not the kind of headlines we read during the last ten years.

I will admit that this government has been in office for a short time, so one cannot expect too much to show for their efforts, but at least they could have maintained the economy in the same position in which they found it when they took over. From the standpoint of the west, and I am a western member, we have to look back through the years to see what Tory governments have done for the west in the past. Starting at the beginning, one would naturally start with Sir John A. Macdonald who, in this part of the country, is always looked upon as a great statesman. Perhaps he was in this part of the country, but some of his actions out west throw some doubt upon that point. I want to speak initially about his actions with regard to land tenure in the west.

At that time the northern part of the west was settled by the Metis, whose only mode of transportation was the river and lake systems. Naturally, therefore, these people settled on narrow strips of land which ran back some distance from the edge of the water. Then Mr. Macdonald introduced the idea that there would be a reorganization of the land system and all the plots of land would be square. This system in effect dispossessed

those people of their homes and although representations were made for ten years in a row, in the same hard-headed fashion that one still observes in the Conservative party the system was rammed down the throats of the people in the west. Naturally there was some resistance which was treated in the traditional Tory fashion, when the government brought out troops to deal with these people. They wound up by hanging Louis Riel who, so far as most of the west is concerned, is still looked upon as a patriot because all he did was lead the people who wanted to fight for their homes.

Well, that was our first brush with a Conservative government. Then the next man who came along was supposed to do much better for the west because he came from the west. He was the late Right Hon. R. B. Bennett. Naturally he would have the welfare of the west at heart because he came from the west. But under R. B. Bennett we in the west suffered under the same policies originated by Mr. Macdonald. We suffered from a tariff policy that provided an umbrella to eastern manufacturers to which westerners had to pay a tribute of 25 per cent or 30 per cent in the way of duty.

Mr. Bennett continued in the same way. He came into power saying that he was going to blast his way into the markets of the world by putting in higher tariffs, something which he did. When he first came in he also said he would bring on a British trade conference. He held out great prospects of that conference relieving us of our ills in this country. I refer to these matters in order to show the parallel between what was done at that time and what is being held out to the people now and to indicate that it is about the same thing. When he got through blasting his way into the markets of the world we were in extremely bad shape in this country. In fact, this country was in the worst condition it has ever been in. That was the promise and that was the performance.

Now we come to the present government of the present Prime Minister (Mr. Diefenbaker). I was rather intrigued to note that during this last election campaign no mention was made of the Conservative party in the west. Maybe their past record is a good enough reason for that. All their election signs said out there was "Diefenbaker". If you had a 20-power microscope you might see "Progressive Conservative" at the bottom of the sign. If I had the record that these people have I think I might have used some name like Diefenbaker or somebody else. I certainly would not put the name of my party on it.

In the last campaign—although I did not take part in the discussions at that time for reasons I mentioned at the outset—the question arose as to whether the new John Diefenbaker was going to be any different from any other Tory leader we have ever had. Immediately the suggestion was put forward by those supporters that he has out there, "Well, John is from the west and he will not let the west down". I suggest to you, Mr. Speaker, that he is not the first Lochinvar who has come out of the west as far as the Conservative party is concerned. We all remember Mr. Bennett. He was from farther west than the Prime Minister, and he did not do so well for the west.

We start out with this new government and they are going to have a commonwealth conference instead of a British trade conference which is something of the same order, and they tell us that it is going to cure all our ills. To go on from there, they are going to shake a stick at the United States and they have been doing so for the last nine years that I have been here, from the opposition side of the house, and they were going to go down and tell those people what they were going to do. They were going to blast their way into some markets of the world by telling the United States off. We have had some indication that that has not taken place.

What other indications are there that the Prime Minister is not much different than his predecessors? Once he gets in the straitjacket of Tory policy he cannot do too much for the west. He is in the same position as R. B. Bennett. Maybe his heart is in the right place and I do not doubt that it is. But when you get that kind of policy saddled on you you are not going to do the things that the west particularly wish.

That brings me, Mr. Speaker, to the attempt to get greater trade with Great Britain. The Prime Minister went over to the prime ministers' conference with the avowed intention of increasing trade with Great Britain. This is something that is dear to the west. They like that idea. I think he went there also with the idea that maybe he could do something along that line; but when he made his suggestion that they might change 15 per cent of their trade from the United States to that country, even the British papers cast a great deal of doubt on the possibility of doing that. When you look at Britain's position you find that she has just so many Canadian dollars with which to do business. I think the Prime Minister went there with his tongue in his cheek

or in other words he knew that with impunity he could make a good fellow of himself in the west by saying that we should have more trade with Great Britain, knowing that Great Britain could not accept that proposal.

But they fooled him. He went there and they said, "We should have free trade". Here is something that is right down the alley as far as western Canada is concerned. For years we have been paying tribute to eastern manufacturers. From the point of view of building up the country, there may be something to that idea. But it is rather hard to tell the people in the west that that is the situation. They have been paying tribute to the eastern manufacturers and they think it is about time that some of those industries stood on their own feet. When somebody tells you that you cannot have free trade, that is not correct. It must be approached with some caution, it is true. We have had some free trade in some items.

The last Liberal government arranged with the United States a proposition whereby we could have free trade in farm implements. At that time the Canadian manufacturers said that would be their ruination. Large companies such as the Massey-Harris company were loud in condemnation of that proposition at that time. Yet it was the best thing that ever happened because it opened to them a large market in the United States.

Free trade with Britain naturally does not come into the same classification as free trade with the United States because you are not dealing with like levels of population. But it has some merit as far as you can let it go without doing too much damage to our industries in this country. So when this present government turned down the proposition of Great Britain that over a period of years we would approach towards the goal of free trade, as far as the people out west were concerned, the Prime Minister, who comes from the west, had sold them down the river.

I do not think there is anyone who can tell them anything different. If he had said that he would look into the proposition and over a period of years would try to slacken tariff barriers between Great Britain and ourselves, I think they would have gone along with that proposition. But no mention is made of that at all. The whole Conservative party is appalled at the idea of going into any free trade with anybody. It is definitely against Conservative policy. So our friend from Prince Albert, who of his own volition would like to go along with this idea and who for 15 years has talked as the champion of the farmers from the west, at the first opportunity that any Canadian has ever had to bring in free trade and the opportunity for farmers in the west to buy in the same market as that in which they are obliged to sell—and he is the first Canadian who has had that opportunity—has turned it down.

At the time this proposal was made by Great Britain I noticed some articles in the paper by heads of manufacturing concerns who would likely be hit if free trade was gone into, one of them being the head of a wire company—I think it was the Greening wire company—who said his costs of operation were of the order of 240 against Great Britain's 90. I used to be in the mercantile business in the west some years ago and when I came to this house in 1949 or just prior to that time I was selling barbed wire which is sold to most farmers who raise cattle. I was selling that item at a little bit over $5 a roll. I was surprised to find out this summer that it is now $15 a roll. Why is it $15 a roll? Because Mr. Greening, who gave his figures himself, has been allowed, under a system of protection, to raise his price to $15. That is at the retail level. He will not get that because there will be the cost of distribution and so on to be taken into consideration.

Mr. Rowe: It has risen from $5 to $15?

Mr. Harrison: It has risen in that way.

Mr. Rowe: Is barbed wire the only thing that has risen in price?

Mr. Harrison: It is not the only thing that has risen in price but it is one thing that has risen where this one man connected with the industry affected was afraid it was going to be injured and naturally started to howl right away. In other words because of the protection this company had they have allowed their costs to run wild. Naturally our living standards are higher here than in Great Britain and you can expect that they would be somewhat higher over here. But lately we have been concerned in this house about farming and we have been passing legislation for loans to farmers, or cash advances, as they are called. Free trade is something that would have done far more for them. Wire is not a big item as far as western farmers generally are concerned as it concerns only cattle raisers, but it illustrates the point I want to make. If they could buy such an item as wire at a cost of 90 as against a cost of 240 it would mean that wire would cost us something of the order of $5.60, provided there were no technicalities in it as to better production in this country or better technology and so on that might enter into it.

As far as freight is concerned, that would not enter into it too much because it would come into Fort Churchill for less money than if it came from down here. This kind of thing is an illustration of what an acceptance of some form of free trade with Great Britain would do for the farmer in the west. In other words, instead of giving him loans acceptance of this proposition would in many cases have doubled the purchasing power of their dollar and would be something basic that would help the farmer in the west.

Now it comes to the trade talks in the United States. For years the Minister of Finance (Mr. Fleming) when he was on this side of the house said what his party would do to the United States if it could ever get hold of them and so it is interesting to read about the conference that was held by the four ministers from this government who went down to talk with their opposite numbers in the United States, particularly with reference to the wheat sales and the fire sales which that country conducted. Well now you cannot do very much business, at least satisfactory business, when you want a person to give you something if you go with the attitude—indeed nine years background of the same attitude—of hitting him over the head with a stick. It is reasonable that they got the kind of reception which they did get. As I read it in this newspaper, Sinclair Weeks, United States secretary of commerce, said at the conclusion of the United States-Canadian trade conference "We fixed 'em". Well I think that is the only concrete bit of news that came out of that conference. Since then we have had a long and rosy resume from the Minister of Finance as to what took place at the conference but at no time did he ever tell us what concessions, if any, he got. You can only conlude that Mr. Weeks was right in saying he fixed them.

Now if you go further down in this article there is another comment on the two-day conference when Mr. Weeks laughed and said that he had "certainly enjoyed his two days in the state department", and that there were in fact no United States cabinet members in attendance during the last half hour of the conference. Now this is indicative of the importance which the United States attached to this conference. They left our ministers talking to themselves for the last half hour they were there. Well I do not know how you would expect anything different if you go to beat somebody over the head in that way in order to get him to do something. It is obvious since then that this mission has done absolutely nothing because now the minister of agriculture for the United States, or what goes for such in that country, Mr. Benson, is now in Japan boring further into our wheat markets.

This is the record, so far, of the present government and from the standpoint of western Canada it is pretty hard to swallow. Although we may be told to have no fear because we are led by a westerner I would say that the facts so far indicate he is in the strait-jacket of Tory policy, just the same as all those before him.

The Postmaster General (Mr. Hamilton) from time to time strikes stamps to commemorate certain historical events and I think perhaps something should be done with respect to striking a stamp to commemorate some of the events in the progress —and I use that word very loosely—of the Conservative party particularly. Possibly, to commemorate Sir John A. Macdonald's operations in the west we could have a stamp with a metis with a bayonet at his throat and Louis Riel hanging up on a gibbet somewhere in the background. To commemorate the regime of the Right Hon. R. B. Bennett nothing could be better than the Bennett wagon running downhill.

To come back to the present administration I often think of the Minister of Finance when he sat on this side of the house and the times he used to ask the minister of agriculture of that time what the minister was going to do with the termites in the riding of Eglinton. I was concerned about that at the time because it seemed to me if you had termites boring away at the foundations of the heart of Conservative Canada in Eglinton they might spread to other parts but, having in mind the operations of this government thus far and what they might do if they had a larger majority as far as the west is concerned, I think we might well have a stamp commemorating this government which would show a termite rampant on a field of broken promises.

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, in rising for the first time in this house I would like to express my sincere congratulations to you, sir, upon your election to the high position you now hold and also the hon. member for Labelle (Mr. Courtemanche) on his position as Deputy Speaker and I also extend my congratulations to the hon. member for Calgary South (Mr. Smith) and the hon. member for Bonaventure (Mr. Arsenault) for the excellent manner in which they moved and seconded the address in reply to the speech from the throne.

Having started work in the coal mines of Nova Scotia at the age of 15 possibly I should feel somewhat outranked when I look around this house and find myself surrounded by lawyers, clergymen, professors, doctors and other professional men. However, I rise at this time to bring to the attention of this house the needs of my constituency and the governmental neglect which has existed in this part of Nova Scotia for many years. I would like to confine my remarks almost entirely to my own riding because of the urgency of some of the problems existing there which I think are very important and should be brought before the house. I would like to describe very briefly the constituency of Cape Breton North and Victoria which I represent and tell you something about that constituency and the problems of those who live there.

The constituency is one of three in the island of Cape Breton and it includes all of the county of Victoria and the northern section of the county of Cape Breton. In Victoria county is the community of Baddeck, a place made famous by Alexander Graham Bell, J. A. D. MacCurdy, and others. At this point since I am talking about Cape Breton I am very happy and proud that our present Minister of External Affairs, the Hon. Sidney Smith, is a Cape Bretoner, having been born in Port Hood in the constituency which is now represented by the hon. member for Inverness-Richmond (Mr. MacEachen). Although this constituency is represented by a Liberal member at the moment I am quite sure that will be remedied after the next election, regardless of the political speech that was made yesterday by the hon. member for Inverness-Richmond.

Since we have just commemorated Remembrance Day I think it is also appropriate to mention at this time that I am very proud of the fact that on a per capita basis Cape Breton led all of Canada in the number of enlistments in the last war.

Getting back to Baddeck, it was here that the first aeroplane flight in the British empire was made. It was here that Alexander Graham Bell and F. W. "Casey" Baldwin began experimenting with the possibilities of hydrofoil craft in 1919. The original HD-4 hydrofoil is lying on the beach at Baddeck today, and I would suggest that the Department of Northern Affairs and National Resources look into the possibility of having this historically valuable asset taken over and preserved for future generations. It is worthy of note that our own navy is at the present time experimenting with the 1957 version of the hydrofoil craft named the *Bras d'Or* after the lakes on which Bell and Baldwin first began their experiments.

In the northern part of Victoria county is the Cape Breton highlands national park. There are no industries of any kind in this county except one or two small fish plants. There is some farming, fishing and lumbering, but not on a large scale.

The tourist industry is important to this county and it must be encouraged and developed. We have some of the finest scenery to be found in Canada but it is rather difficult for a hungry man to eat scenery, so more than the tourist industry is required if the people of Victoria county are to have even a fair measure of prosperity.

A few years ago there was a gypsum plant in operation at Dingwall and it employed in the vicinity of 100 men. This may not sound like a large operation, but nevertheless it is very important in a small community. This gypsum was, of course, shipped by water and the company concerned was obliged to pay a large amount of money to maintain the dredging that was carried out annually in the harbour from where it was shipped.

As a result, because of the exorbitant cost, the company was forced to abandon its workings there and move to another part of Nova Scotia.

Nothing has been done to maintain any breakwaters at Dingwall since 1942, except for some small concrete blocks placed on loose sand in 1954. Some weeks ago the depth of water at the entrance to Dingwall harbour was in the vicinity of six or seven feet, so that even the smallest fishing boats could not enter. I am pleased to say that, through the action of the Minister of Public Works (Mr. Green) and his staff, emergency dredging is now going on. It is questionable if this dredging is working out as successfully as we would like, but we must continue with this work so as to enable the fall and winter fishing to be carried on.

We cannot stop there. I would ask the minister and his staff to take a very serious and long look at the Dingwall situation with the thought in mind of reconstructing the north breakwater which has been allowed to deteriorate for the past 15 years without any maintenance whatsoever. I understand that installations such as are required here are carried out only when deemed feasible by the economics branch within the Department of Public Works. I feel this is a very unreasonable yardstick to use when the very existence of the many families in the area is concerned. Fishing is the only means these people have of earning a living. The question is: are we to assist them, or let them starve?

Getting back to the beginning of my remarks on the Dingwall situation; not one thing was done for these men who were thrown out of work. Those who were able to, moved out, and the balance turned to fishing, but now they will not even be able to fish if we do not provide the facilities required.

These men engaged in fishing in the Dingwall, Bay St. Lawrence, New Haven, Neils Harbour, Ingonish areas and all along the north shore of Victoria county have not been asking for charity. They have been seeking from the federal government only the normal assistance usually given by governments. By this I mean they have requested breakwaters, wharves, dredging and the like. These are not luxuries, they are the necessities of the fishing industry, but requests for installations were not granted. Either their requests were not brought before the previous government or they were ignored. I feel it is ridiculous that men in this day and age should have to go out at two or three o'clock in the morning, or at any time when a storm arises, and have to work like Roman slaves of old by pulling their boats up on the shore for protection because of lack of proper harbour facilities. In the New Haven area, a breakwater is required immediately to prevent such things as I have just mentioned. I would request the Minister of Public Works to look into this matter without delay. By the expenditure of small amounts of money, a great deal can be done for the people of these areas and I trust that it will be done in the near future.

Mr. Speaker, I have previously mentioned the national park. This is a decided asset to the constituency and it is a great attraction as far as tourists are concerned. It is also a great benefit to the people in the area as it provides employment for them. There is one very important question which I should like to bring to the attention of the Minister of Northern Affairs and National Resources (Mr. Hamilton) or the Minister of Labour (Mr. Starr), namely that wages paid to those who are working there are less than those paid for the same work done in other parts of Canada. As I understand it the rate of wages paid is governed by what is known as the prevailing rate. In the areas to which I refer there are no known standards of what is the prevailing rate because there is no industry there. In any event, I believe it is wholly wrong to pay less in Nova Scotia than elsewhere.

I cannot find any justification whatsoever for the federal government paying higher wages for the same job of work in one part of Canada than it does in another. Furthermore, if equal rates of pay were provided for similar work no matter where such work was done it would tend to increase the general wage level and so bring it into line with that paid in other parts of the country where better wages are paid. Those in the civil service receive the same salaries no matter where they work; a civil servant working in Cape Breton, for example, does not receive less because the general wage rate in the district is less than it is elsewhere, and the same should apply to those who are working in the national park.

There are several other matters I should like to mention with regard to the park. For instance, there is a great lack of suitable camping grounds, and this shortage has become a decided problem in the past few years. Camping has increased around 200 per cent I would say in recent years, and the net result has been a very serious shortage of camping areas, toilet and laundry facilities. Another problem is the need for recreational centres where movies, lectures and other forms of entertainment may be enjoyed after the daylight hours or in rainy weather.

Then, again, the highway in the park between Ingonish and Neils Harbour is very narrow and very dangerous. I feel this highway should be widened considerably and the dangerous curves removed. I should like also to recommend a program of street lighting within the park in the immediate park area. Consideration should be given, also, to the construction of a new golf club house. The present building is a converted barn and it still looks like a barn.

These suggested improvements may not, perhaps, help the residents of the area very greatly but I feel they would provide the residents of Victoria county with a certain amount of employment which is urgently required.

The Cape Breton north section of the constituency is partly rural and partly industrialized. There are two large coal mines owned by the old Sydney Collieries Limited of Dosco and some smaller mines operated by independent operators. As hon. members are fully aware conditions have not been good in the coal mining industry of Nova Scotia for quite a number of years. Competition from other sources of fuel, loss of markets to oil, loss of traditional sales to the Canadian National Railways as a result of the changeover to diesel engines in the Atlantic region have all had their effects and it has been very difficult for the industry to overcome them. A determined effort has been made by employers and employees, men and management, to bring down the cost of production. Mines have been mechanized and modernized so that the unit cost of

production could be lowered. Some mines have been closed. It is sad to say that some of those mines were in communities where mining was the only source of employment. The whole economy of such communities has been wrecked and their welfare gravely threatened.

The cost of producing coal can be lowered only so far; there is a definite limit beyond which it is not possible to go. This is true especially in Cape Breton coal fields where most of the coal is mined under the sea. In fact, there are some instances where they go five miles under the water. Experts tell us that coal will again be in great demand in about 10 years, if the industry can survive that long. It needs markets, immediate markets, and many of us believe that such markets can be found, or at least partly found, in the maritime provinces by the use of coal to produce power. Cheap power is needed in the maritime provinces. In order to produce cheap power from coal there must be cheap coal and that is not possible without assistance.

The assistance we ask for is to have the coal subvention policy extended so that subventions would be paid on the movement of coal within the maritime provinces when such coal is used to produce power. This would give immediate assistance to the industry and it would also assist in the development of cheap power in the maritime provinces.

Having, shall I say, Mr. Speaker, a rough idea of what the coal miners' problems are, and the dangers they have to face daily, I do not hesitate to recommend to the government that they are deserving of every consideration that can be given by this government. Without such assistance there is grave danger that the mining industry of Nova Scotia will be no more.

While I am on the subject of coal I should like to bring to the attention of the government a matter of prime importance, not only to the coal miners of my constituency but to all the coal miners in the province of Nova Scotia. As the dominion coal board is comprised at the present time labour does not have any representation on this important body. I would suggest to the government that they give immediate consideration to this oversight and appoint a member to this board from within the ranks of the United Mine Workers of America in which all the miners of Nova Scotia are organized. Then labour would be truly represented on the coal board.

Another matter that I should like to bring to the attention of the government is the town of Sydney Mines. Here we have an unemployment insurance office that has always been a suboffice of the main one at Sydney. This causes considerable delay in processing claims and it has many other objectionable features. I feel that the Sydney Mines office should be separate from, and independent of Sydney altogether. Then, of course, the people of Victoria county could also use this office. As it is now they have to travel many miles farther to Sydney. The office is located upstairs in a building that is over 50 years old and looks it. This creates a hardship on our older citizens who have to climb several flights of stairs to file their claims. I think the time is long past when we should have a new federal building at Sydney Mines that would house the aforementioned office, the post office and other governmental departments.

Also in my constituency, Mr. Speaker, is the town of North Sydney. This is a very important seaport. It is also the Canadian National terminus for Newfoundland. Canadian National ships ply between here and Port aux Basques, Newfoundland, and the well and famously-known *William Carson* sails between North Sydney and Argentia. After Newfoundland entered confederation there was a greatly increased business between North Sydney and Newfoundland. To take care of it a new wharf was built and modern facilities were provided. It was felt at that time that the new pier would be able to handle the business for many years to come and that the pier formerly used by the Canadian National Railways could be used as a public wharf. However, the business has already outgrown the new pier and the C.N.R. must use both the old and new wharves. This is a very happy situation, but it means that the facilities of the C.N.R. must be expanded and a new public wharf is required for North Sydney.

With a new wharf it is expected there will be a great increase in business, as already ships have had to be diverted from this port for lack of space. Others have had to wait until a berth was available. For example, last year saw 1,290 ships, representing 16 nations and aggregating 2.25 million tons, being piloted into North Sydney harbour waters and had proper facilities been available that figure would have been higher. I think we should give every encouragement to shipping as it means a great deal to the town in general as well as to the commerce of Canada.

Now, Mr. Speaker, I am pleased to say that the Minister of Public Works and his department have within the past two months

taken some concrete steps toward the erection of the long-talked-about federal building at North Sydney. I would suggest to the minister that plans for this long-awaited building be proceeded with just as soon as possible.

A matter that I should like to bring to the attention of the government is the Fisheries Improvement Loans Act, as passed by this house on June 27, 1955. This legislation, as I understand it, was designed to assist fishermen engaged in a primary fishing enterprise. As it now reads, it is definitely not benefiting the fishermen in my constituency to any appreciable degree, or in fact in any other area of Canada. An example of its ineffectiveness is that since this act was made law only 40 loans totalling approximately $41,000 have been granted to the fishermen of Nova Scotia and the figures for Newfoundland are even less impressive. I feel the reason for this is that the regulations are so stringent that the act is rendered ineffective and impractical. In plain every-day language, there is too much red tape connected with it. I would urge the government to make an immediate re-appraisal of this legislation and amend it so that it will do the job that was originally intended for it.

In my constituency, Mr. Speaker, we also have the Point Edward naval base, which contributes greatly to the economic life of the surrounding areas. A matter that I should like the Minister of National Defence (Mr. Pearkes) to take particular note of is the fact that this base is not being utilized to the degree of which it is capable. At the present time they are busily engaged at the base in refitting and preparing some Bangor minesweepers which are shortly to be turned over to the Turkish government under the mutual-aid program. After that is a large question mark. There are no other prospects in sight. This is unfortunate because at the Point Edward naval base we have the workmen, the technicians and the equipment to refit ships up to and as large as the tribal class destroyer. All that is required is that some of these ships find their way to Point Edward.

May I also suggest to the minister that he give serious consideration to the basing of a minesweeper flotilla at Point Edward. This naval base has proven its worth in regard to north Atlantic defence in the past and is still of vital importance in the north Atlantic defence scheme.

I should like to serve notice on this government that the people of the constituency of Cape Breton North and Victoria have been left out in the cold for such a long, long time that they are going to require a great deal of attention to warm them up. In Nova Scotia we feel and we know that we have not shared in the growth and prosperity of the rest of Canada. Our people are not as well off; they do not have the opportunity for employment that appears to be available elsewhere.

This is one of the reasons why the increases in old age security and other benefits recently announced are of great importance to Nova Scotia. It is very welcome. It will give much needed assistance to those who require it most. The government is indeed to be commended for their attitude in this matter. This government, Mr. Speaker, has been in office only a few months but it has already demonstrated its worth. It is attacking the problems of our country with courage and ability. It has the support of the people of Nova Scotia and will have, I am sure, for a long time to come.

Finally, I should like to comment briefly on certain remarks that have been made in the house. I listened very attentively to the speech today of the hon. member for Bonavista-Twillingate (Mr. Pickersgill). I will not comment further than to say that possibly he should endeavour to get the opportunity to try out for the cast of "My Fur Lady", which has been seen in the city recently.

As a newcomer I certainly expected that there would be a certain amount of politicking, if I am allowed to use that word, and I expected that it would be done by all parties. Of course, one thing I am very happy to see is that some of the Liberal members from the maritimes after many years of silence have realized their responsibilities and have finally decided to open their mouths on behalf of the maritimes. This is a very good thing and I hope that in the future they will join with us in securing for the maritimes the rights these provinces so richly deserve.

One observation I did make was that during the debate on the wheat bill the hon. member for Charlotte (Mr. Stuart)—I am sorry he is not here—for reasons known only to himself tried to pit one province against another, one section of the country against another. That was his own idea and I do not know why he did it. Of course, it has been impressed upon my mind since I have been here that it appears to be one of the policies of the Liberal party to divide and conquer, whether it be a case of province against province, religion against religion or race against race. No matter what it is, that would appear to be their aim, as was so aptly portrayed by the hon. member for Laurier (Mr. Chevrier). In his emotional outburst he did his best to try to promote disunity in this great country of ours.

Mr. Chevrier: You started it at your convention.

Mr. Muir (Cape Breton North and Victoria): What he succeeded in doing was to demote both himself and his party in the eyes of all Canadians who want a united and not a divided Canada. I have wondered many times since whether it was shame that made the hon. member leave the chamber shortly after he finished his speech.

An hon. Member: Nonsense.

Mr. Chevrier: You are talking through your hat.

Mr. Muir (Cape Breton North and Victoria): It is a sad day for this country, Mr. Speaker, when a member of parliament stoops so low as to use such means to try to overcome a bitter disappointment and seeks to gain party advantage at the expense of a united Canada. I say, Mr. Speaker, that no party advantage can be so important as to justify such an attack upon the unity of this country.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I too should like to be associated with those who have extended congratulations to the Speaker, the Deputy Speaker and the deputy chairman of committes on their elevation to their high offices. I should like to congratulate also both the mover (Mr. Smith, Calgary South) and the seconder (Mr. Arsenault) of the address in reply to the speech from the throne. I am satisfied that they did an excellent job.

I am sure you will appreciate, Mr. Speaker, that if I say I feel somewhat uncomfortable on this side of the house it is only by reason of the fact that I like to face those to whom I am in the habit of speaking. I has been suggested by some other opposition members that possibly I might feel more comfortable if I were to choose the side opposite in order that I might be in the position I prefer, and if I should suddenly find myself over there I would ask you to excuse me.

It has also been suggested by others in the Social Credit group that because of our seating position in the house we find it very difficult sometimes to see the cabinet ministers when we wish to speak to them. Possibly some day, sir, we could be provided with a periscope to help us to discover whether or not certain ministers are in the house so that we could address questions to them properly.

Mr. Murphy (Westmorland): Can you see them now?

Mr. Hahn: I can when I get up but it is a little difficult when one is seated in his place. Other hon. members may have noticed from time to time that the hon. member for Macleod (Mr. Hansell) has made it his custom to step forward into the aisle so as to be sure that he can see to whom he is talking. Yes, I can see the ministers now, those who are here.

Mr. Murphy (Westmorland): What have you got, photographs?

Mr. Hahn: It is my intention to devote the major portion of my address to what I consider the most striking problem confronting Canada today, the labour situation. Before doing so, however, I feel I am somewhat duty bound and I also desire to let hon. members know something about my constituency and what is expected to take place in that area next year. As hon. members are probably aware, British Columbia will be celebrating its centennial in 1958. In my constituency of New Westminster we are very fortunate indeed to have the first and second capitals of British Columbia. The first is a district known as Fort Langley.

The former federal government and the provincial government, in co-operation with the municipal authorities and the native sons of the district, have seen fit to restore the fort and I understand that Princess Margaret has been invited to officiate at the official opening of the fort some time next year. I suggest that all members of the house, including the Prime Minister (Mr. Diefenbaker) and the other members of the cabinet, would benefit by being present and taking part in the historic events upon that occasion.

I heard one member today tell us about the difficult tasks that the Prime Minister has to perform in the course of his duties and the rigid schedule which he is trying to follow. I agree with that hon. member, but in looking at today's Ottawa *Journal* I see a picture of the Prime Minister greeting Miss Canada and I suggest that possibly there are a good number of the junior representatives of his party in the house who would be only too happy to take over that particular task from him. It is the kind of job that possibly might be allocated to some of the other members.

Fort Langley, as I said, was the first capital of British Columbia. It is the centre of fishing and agricultural industries and today is undergoing a considerable industrial awakening. The second capital of British Columbia was the city of New Westminster, and it too is preparing to take part in the 1958 pageant marking the centennial year of our province. New Westminster is the home of British Columbia's first regiment. I consider it very unfortunate indeed that this government has not seen fit to give it the recognition it deserves.

This is possibly one of the most concentrated industrial and commercial areas within Canada. At the moment we are suffering somewhat from conditions which are making themselves more and more apparent in the way of unemployment and a lag in industrial development by reason of the policies followed by this government. However, I am satisfied that if you, sir, or any other member of this parliament should see fit to make his way to New Westminster you will be delighted with the reception you receive. We are proud of the two newer cities in our area, the cities of Langley and White Rock having been incorporated within the last two years.

One of our difficult problems is connected with the Fraser river. The river itself is a navigable stream and was declared such by a previous administration. It is being used a great deal but not to the extent it should be. The fact is that navigation is not as freely and easily conducted as it might be, but we are hoping that this government will see the light and some change in policy in respect of river development will take place.

We have another problem connected with the river. It has to do with fishing. This problem has been drawn to the attention of the Department of Fisheries. It has particularly to do with the opening of the Fraser river above the Pattullo bridge and as far as the Mission bridge to the fishing industry. The former government saw fit to close this area to fishing, but we are hopeful this administration will see the merit of reopening it, not only from the viewpoint of saving dollars for the fishermen but also to help the community as a whole.

River crossings, of course, play a major part in our development, and we have major problems arising from the fact. The former government was very adamant in its attitude toward giving assistance to these river crossings. We are hopeful that this government may see that a change is desirable. One of the leftovers we have from the former administration is the Langley airport. This airport, although started many years ago, has had to exist and to grow by being built up with the leftovers from other airports which did not require expenditures upon them. The result is that today the airport, although playing a major role in the development of agriculture and industry, is certainly in need of assistance. The present government has not indicated it intends to change the policy with respect to this airport, but I would suggest that they make a careful review of the situation to see what can be done.

In so far as harbour maintenance is concerned, I have heard a great deal about what the Conservatives inherited as a legacy from the former administration in the way of waste, extravagance and inefficiency. However, it is remarkable to me to note that this government seems to be carrying on the identical program of the former administration, which would indicate that this government is still not aware of the changes that have to take place. I was pleased to hear the Minister of Public Works (Mr. Green) advise the house, in response to my question, that the government diking program has been changed. This will ease the problem of many municipalities in this respect.

In so far as the shipping industry is concerned naturally, having one of the main ports in Canada in the city of New Westminster, I am interested in discovering exactly what advance the present government is making in the way of establishing a shipping fleet for Canada. I took particular note of the action announced yesterday with respect to the transfer of our east coast fleet to Trinidad.

The main industry in the area is lumbering. Sales are down and the industry is suffering from problems that are common to the industry as a whole in Canada. I will not go into detail at this time in so far as those problems are concerned.

In so far as transportation is concerned, we have the Canadian National shops which, of course, do present certain problems which are not unlike those the hon. member for Winnipeg North Centre (Mr. Knowles) has raised so often in this house. This area does have an agricultural section, and we are still in need of the extension of the P.F.R.A. to British Columbia, or at least some assistance similar to it. We do have other problems, too, related to freight assistance on feed grains. At this point I wish to compliment the Minister of Agriculture (Mr. Harkness) and congratulate him upon the prompt action he and his government saw fit to take in assisting the turkey raisers, after hearing recommendations from me and interviewing the turkey raisers themselves. I recognize that this assistance is only temporary, but it is a step in the right direction of meeting a problem when it arises.

This brings me to the main problem which faces my area at this particular moment. I speak of the question of unemployment. Recently the Prime Minister made a statement which caused me a good deal of concern. What he said has been carried by many newspapers throughout the country.

The Montreal *Gazette* of November 9 carried a very lucid account of this particular statement. The article reads, in part:

"It seems clear," he added, "that the strategy of the high command of the Liberal party is to spread fear and gloom and preach doom and to pretend that where unemployment exists this (Progressive Conservative) government is to blame."

. . . "there has been a levelling off during the last year and a half."

I am very pleased to hear there is a levelling off of the unemployment situation. I hope that the figures we have today will indicate that the levelling off period has been completed. However, I do not believe the government is facing the facts. The fact of the matter is that we do have unemployment in Canada today. It is true, as the Prime Minister has suggested in this article, and in some of his statements, that we have more people employed in Canada today than probably at any other time. But it is also a recognized fact that if we have more than 1 per cent or 2 per cent of our labouring force unemployed then we have above the point usually allowed for transitional employees, that is, those who go from one job to the next.

I am rather disturbed when the Prime Minister of this country tries to shrug off a situation in which unemployment in this country has increased to such an extent that it causes a great number of industrialists and a great number of labourers a great deal of concern. Yet, the Prime Minister tells us we should not worry. In this article the Prime Minister goes on to say:

"Criticism is of the essence in our system," he said. "But the sowing of fear of mass unemployment is a dangerous course to follow, for it can lead to a depression complex whether so intended or not."

I must agree with what the Prime Minister has to say in respect of a fear complex. However, facing reality does not mean necessarily that one is trying to inject fear into the people. This is a matter of facing the facts. As I read this article I wondered whether this was a deliberate attempt on the part of the Prime Minister—I do not believe it was but it might be interpreted as such—to coerce and to prevent the members of parliament from bringing this particular matter to the attention of the people as a whole.

We are faced with a problem that industrialists, members of parliament and governments at all levels must take hold of at this time and examine into. I ask this question. How long are we to wait before be decide that conditions are of such a grave nature that we are expected to say something to the people about them? When is the government going to become aware of it? Or must I wait until my constituents write to me about it before I have anything to say in respect of the matter?

I do not care a hoot whether the Prime Minister inherited this problem from the Conservatives or whether he inherited it from the Liberals. The fact of the matter is that many thousands of people are unemployed in New Westminster riding and in Canada and I am concerned about those particular people. My main interest is in knowing what is going to be done about it. As I say, men and women are out of work by the thousands. What is this parliament prepared to do? What is labour prepared to do? What is industry prepared to do? This is not a time for us to wear a blindfold. It is the time for us to be alert to the problem that faces this country and to try to do something about it.

Political parties throughout this country—that means in particular C.C.F.'ers, Liberals, Conservatives or Social Crediters—have all indicated that we are quite prepared to sit down with this government to see whether or not we can resolve the problems that face the nation today. It is with that fact in mind that I speak, namely that this government has a greater degree of co-operation than any government hitherto has ever had in that respect. There is no one rising in this house for the purpose of opposition just for the sake of opposition alone. They are here for only one purpose and that is to bring to the attention of the government a solution to the problem or at least a solution that we think might be desirable and one that we could use.

Mr. Baskin: Have you any suggestions?

Mr. Hahn: I am coming to the suggestions if you will just give me time. A few days ago when it was announced that the Britannia mine might be forced to close it was suggested in the house—again not with deliberate intent—that possibly that was a responsibility of the province. I am not denying that possibly the province might have some responsibility. Certainly the industry has as a whole and the industry has recognized that fact. So have the members of parliament. Some few weeks ago when members from all parties were called in by the mine union officials to discuss this question because it appeared then that the mine might be closed we submitted a telegram to this government in respect of what we hoped might be done and we are still waiting for a reply to the telegram. Things have not changed from the

good old days of the Liberals. You present a suggestion, you wire them, you explain it to them and yet you still wait for their reply.

Mr. Speaker, I do not feel that that is the way in which this particular problem should be met. It is not a case where a government should try to pass the buck to another government and indicate that the solution to the problem lies in their hands. The solution to the problem lies in the hands of all the members in this house as well as the other government that might be involved, as well as industry and labour itself. We must keep these industries in operation. It is most important to the economy of Canada and more particularly to the economy of the district in which they might be located.

What are the facts in respect of unemployment. At page 805 of *Hansard* of November 6, the Minister of Labour (Mr. Starr) in reply to a question posed by the former minister of fisheries, the hon. member for Coast-Capilano (Mr. Sinclair), indicated a comparison of figures in respect of unemployment in my province. I refer you to those particular figures from which you will discover, Mr. Speaker, that the unemployment condition has practically doubled in the province of British Columbia. By way of example, at September 20, 1956, there were 15,619 unemployed—that is a year ago—this year, on September 19, there were 29,837 unemployed, or practically double the number. In Canada as a whole the situation while not so severe is as follows. The number of unemployed in 1956 on September 20 was 158,804 as compared with 255,896 on September 15, 1957. As to my own particular district of New Westminster, I have a clipping from the *British Columbian*. I must say that it is an excellent newspaper. I am referring to the issue dated November 7, 1957. This particular news item is headed, "New Arrivals Swell Unemployed; 4500 New Jobs Created but Jobless Lists High". This particular story tells an unfortunate tale indeed. It begins in this way:

> Numerous small and temporary lay-offs in lumber manufacturing, construction and secondary manufacturing has created an early upswing in the number of persons registered for employment with the national employment service.

It goes on to say this:

> At the end of October, 4,500 men and 1,300 women were seeking work through the national employment service.

Mr. Speaker, those figures are most significant when compared with those of one year ago. The figure at that time was 2,200 and two years ago it was 2,900. I say to you that here we have an instance of well over twice as many individuals unemployed in an area and yet it is suggested that if we say that the unemployment condition in this country is severe, then we are being unfair. No, the Prime Minister did not say that but the Prime Minister said that we are spreading gloom and fear for only one purpose, pretending that where unemployment exists this government is to blame.

I am not blaming the government particularly, or not just this government. It is a matter of fact, Mr. Speaker, that possibly the Bank of Canada is as much to blame as anyone. But we cannot assess the blame on anyone but ourselves because we are responsible to the people of this country and it is our responsibility to see to it that they have jobs if there are no jobs. Certainly it is not the job of anyone else or a situation for which we might assess someone else as being to blame. This article continues:

> Of those at present seeking work 27 per cent are from outside the New Westminster and Fraser valley areas, the highest percentage yet recorded,—

That, sir, was what gave me cause to rise in my place on October 31 and ask a question of the Minister of Labour. At that time I asked him this question as reported at page 598 of *Hansard*:

> What consideration, if any, is the government giving to the suggestion to the unemployed that they would be well advised to remain in the community in which they now live unless directed to some other labour field in the Canadian market by the officers of the unemployment insurance commission?

The minister very kindly replied as follows:

> In the first place the government, or the unemployment insurance commission in this case, is hardly in a position to suggest to an individual who is interested in finding work that he should remain in a locality where he cannot get employment. People will insist on remaining free to look for work wherever it may be found.

That is true and I would agree with him that they insist on that. But certainly this government could direct them and could say that it is bad business to go into an area today where we have too many people at the present time who are looking for work.

Potentially we believe that we might expect a great number more of unemployed. Not too long ago I believe the Canadian Labour Congress rather indicated that they expected some 750,000 people to be unemployed this winter. In the Ottawa *Citizen* of November 8 I find it says that a qualified government official predicted that unemployment this winter will likely hit 750,000, the highest figure since the end of the second world war. Yet we are supposed to show no concern over the fact that we have in the Canadian Congress of Labour men and women who are interested in the labour field indicating

that they expect an all-time high in unemployment. At the same time qualified government officials indicate they expect an all-time high in unemployment and we are advised that we should not show the natural interest in this matter which I think we have a right to show and are indeed expected to show.

Now the reasoning is wrong. This question must be resolved. The only place it can be resolved is in the parliament of Canada. That is why we are here and that is what we are supposed to do. We should assist the government in taking care of these matters and I think we are all quite prepared to do so; I know we as a party are and I am convinced that others are too. I have many other clippings I could read but my time is running out very rapidly. However, I have a couple of editorials with me from newspapers across the country in respect of utterances of the Prime Minister.

The Ottawa *Citizen* of November 7 indicates in the early part of an editorial that the Prime Minister had denounced the Liberals at Toronto. Well I do not blame him for denouncing the Liberals; that has been his business for a good many years and I suppose he will be denouncing the Liberals long after they are dead and gone, if such is the case.

Mr. Stanton: Very successfully.

Mr. Hahn: My hon. friend says very successfully.

Mr. Knowles (Winnipeg North Centre): One dead horse kicking another.

Mr. Hahn: Well at any rate the article goes on to use unnecessarily harsh words about the Prime Minister which I do not feel add anything to the discussion and so I will not put them on the record. However, further down it says:

> And the prospect of large-scale unemployment this winter has been tacitly admitted by the government, which has taken steps to try to reduce it. For one thing, it has cut down immigration (a mistaken policy, in this newspaper's opinion, but that is another matter). For another, it has made $150 million available at low interest rates for low-cost housing.

Well these may be cures, but the article goes on to say:

> And jobs don't depend on public debate; they depend on export markets, inflation, population growth, and similar factors.

This is possibly a condition which this government did inherit from the Liberals, the fact we did not have export markets, and it is something which some of the hon. members of this house tried to do something about a year ago, namely early in the spring when the other administration was in office. We asked them to see to it that they traded and accepted sterling either bloc or convertible—or inconvertible for that matter—and see to it that they opened up channels of trade one way or another. However as usual such was not the case.

This article goes on to say:

> It is up to the government to give a lead on this issue,

It is up to the parliament to do something about it. Hon. members may consider that because I was quoting from the Ottawa *Citizen* I was using a somewhat biased newspaper but I have a clipping from a Vancouver paper which British Columbia members would recognize as the official organ of the Conservative party; it has this to say:

> What we call our "way of life" in western societies is now under test as never before.

This article appeared on November 5, 1957 and the way of life referred to of course is our way of life as compared with the communist way of life. It goes on:

> The internal threat is less clearly identified because it is composed of a number of things. The test of western society's fitness to survive will rest on the realism and courage with which it faces up to, and finds solutions for, its own weaknesses.

We must find a solution to our own weaknesses and unemployment is a weakness which has been with us since the early thirties and a long time before that and if democratic society is to exist and continue to exist it is our responsibilty to see to it that we do not have unemployment. I read on:

> If during an era when the communist system is forging ahead, with its working force straining to keep up with productive demands, our society fails to keep its own people usefully employed, this will be a most dangerous failure.
>
> Though the communist system may prove to be one of the greatest let-down's in history, the fact will not help us if our system becomes embroiled in internal difficulties for which many will not be able to see any rational reason.

You cannot rationalize with a person who is unemployed, who has no job and has not a full bread box. You can understand only too well, as should this government, how difficult it is to try to convince these people that this thing must be, that we should have unemployment regularly. I beseech you, sir, to advise the government—well it is not your position to do so, I recognize that—but through you I would request the government to give further attention to this particular question.

The reason the communist government is as strong as it is today is because of happy men and contented men who not only have their stomach full but have jobs as well. They do have jobs, whether they are forced to do them by slave labour or not—I am not here to argue at this time. That is one of

the reasons they are a happy and contented lot, in so far as one can be happy and contented under slavery. Therein lies the strength of communism and if we are going to fight it we will have to fight it by looking after our own backyard and seeing to it that the people of this country are fully employed.

The Vancouver and district labour council wrote to I think all the members from British Columbia submitting the problem in so far as they were concerned. I have with me the letter addressed to myself dated November 8, 1957 requesting that I attend a meeting. It says:

> The purpose of the meeting is to discuss ways and means of alleviating unemployment which is prevalent in this area at the present time, and is increasing daily at an alarming rate. Predictions are that it will reach an all-time high very soon unless people in authority, together with industry, take steps immediately to provide work for those unemployed.

Now we are told by this government that conditions are not too bad and that we are spreading a fear complex if we continue in this vein. Certainly labour itself recognizes the problem and I say that we should see to it that we recognize it also. The city of Vancouver, I read from a news item of Tuesday, November 5, says this:

> Vancouver's appeals to the senior governments for public projects to fight unemployment will be meaningless if voters turn down the city's five-year plan in December.

Now the city of Vancouver is trying to keep its men and women in work and therein lies another problem. The premier of my own province had this to say, and I now read from a news clipping also of November 5:

> Premier Bennett proposed Monday that if the Bank of Canada did not heed Finance Minister Donald Fleming's opposition to tight money, "it be reorganized immediately".

I am sure our good friend from Westmorland (Mr. Murphy), who seems to be out of his element in his own party because they brought on this tight money policy if I understand correctly, will appreciate this.

Mr. Murphy (Westmorland): Speak for yourself over there.

Mr. Hahn: I am speaking for myself. We have found so many individuals suddenly realizing there is something wrong with the economics in this country that I think it is high time that they take a look around and if they are sitting with the wrong party they should come over and sit with the proper one. I go on to quote from the same article:

> Mr. Bennett said the provincial government, besides highway spending, is spending $100 million this year through the toll highways authority, the B.C. power commission, and the Pacific Great Eastern Railway.

They are spending $100 million to build roads in the province, continue with power projects and the expansion of the Pacific Great Eastern Railway.

We would make it a point today to change our trade policies. What are we afraid of in respect to an examination into the operations of the Bank of Canada and the control it has in this country? Certainly I say it is high time that we in this parliament brought the directors before us and made them answerable for the policies that have been forced on this nation, and for the unemployment in which we have been embroiled as a result.

It is not enough for a province to do that. Our province has gone a step further, it has sent a trade delegation to Europe to carry on negotiations which the federal government should have carried on earlier. I know, as everyone in this house knows, that the present government has had only a period of five months in which to do these things and I recognize that the government is a new government and has to be established as such; it has not had experience for 22 years. Nevertheless, the problems raised in this house having been drawn to its attention so frequently I think it is high time something was done about them.

I have only one request to make in conclusion, and that is that we put Canada first. All political parties have declared that they will co-operate, and they have indicated in this house that they would do so. Let us, therefore, put Canada first and get the people back to work.

Mr. Stanley Haidasz (Trinity): Mr. Speaker, it is with legitimate pride and great humility that I rise to make my maiden speech in this distinguished house and to represent my fellow Canadians in Trinity riding by speaking in this debate in reply to the speech from the throne delivered by Her Gracious Majesty the Queen at the memorable opening of this twenty-third parliament of Canada.

As I apply myself to the discharge of my responsibilities I should like first to express my gratitude to the electors of Trinity for having chosen me as their representative the only Liberal from Toronto in this House of Commons—and I pray that I may always serve this chamber, my constituents and fellow Canadians with loyalty and devotion. I am honoured to be associated in this house with five of my colleagues in the medical profession, and with the first Italian and the first Chinese Canadians to sit in this house, and I believe I experience some of their emotions because I happen to be the first Canadian of Polish descent to be elected to the House of Commons.

May I congratulate the Speaker of the House of Commons upon his election to this high office and responsibility. I offer him my sincere support and co-operation. To you, Mr. Deputy Speaker, I extend my sincere felicitations and offer true co-operation. May I also congratulate the mover and seconder of the address in reply to the speech from the throne for their fine performances.

I confess I deeply regret that the Leader of the Opposition (Mr. St. Laurent) has announced his intention to resign his post for reasons of health. Along with the rest of the Canadian public I have admired his firmness, dignity and devotion to duty which enabled the Liberal government to give Canada the greatest measure of national unity, full nationhood, international standing and unprecedented economic prosperity. That is why I am proud to be associated with this great Canadian party of reform under the guidance of the present Leader of the Opposition who now takes his place in Canadian history alongside Sir Wilfrid Laurier and Sir John A. Macdonald.

I am proud to belong to Canada's one and only truly national party. Let me remind hon. members opposite that it was the Liberal party which obtained the largest majority of votes in the last election. I must also confess that I was scandalized to hear from my colleagues on this side of the house that the Tory party had one set of election promises for the people of the province of Quebec and a totally different one for the people of the province of Ontario.

Mr. Monteith: You are wrong.

Mr. Lesage: You did not hear them; I did.

Mr. Haidasz: I am also sorry that the Solicitor General (Mr. Balcer) should have been placed in the position of a two-faced politician by his colleagues, for in Toronto he had to say one thing last week, and four months ago he had to say a totally different thing to the people in Three Rivers.

And now, Mr. Speaker, as is the custom, I should like to acquaint especially the newcomers to this house with the particular features of Trinity and the needs of its constituents which were so ably served by distinguished members who have preceded me such as Hugh Plaxton, Senator Arthur Roebuck, the late Lionel Conacher and Donald Carrick.

Trinity is located in the southwestern sector of the great metropolis of Toronto. The southern limit of my riding borders on lake Ontario and the Toronto harbour. The armouries, Fort York, and the world-renowned park of the Canadian national exhibition occupy the southern portion along with the great industries of Massey-Harris and John Inglis.

The dependable industrious, and public-spirited residents of Trinity represent the most complete cross-section of any Canadian metropolis. The stalwart Anglo-Saxons and Irish comprise the majority of its population, followed by the Italians, the Poles, the Jewish, Ukranians, Slovaks, Lithuanians, Czechs and many others. Among these there is also an active group of people from the West Indies federation which I hope will soon join us in the family of sovereign nations, the British commonwealth. The rich traditions and the cultures one thousand years old or more and the firsthand experiences in the struggle against communist tyranny of many of these newcomers to freedom-loving Canada have already contributed and will continue to contribute immeasurably to the stature of this great country. This enviable mosaic, composed of different sizes, shapes and colours is, may I assure you, strongly cemented not only by a common allegiance to the crown and a common Canadian citizenship but also by convictions of loyalty, pride and faith in the past, present and future of Canada.

At this point in my address may I pay tribute to the first Polish immigrant to become a citizen of Toronto 100 years ago, an engineer who built so many railroads, highways and bridges in Ontario that he was elevated to knighthood by Queen Victoria. The name of this man, who worked and resided in Trinity riding and who contributed so much to the development of Toronto and Ontario was Sir Casimir Gzowski. The city council of Toronto paid tribute to his memory last year by naming a park in his honour.

Another new Canadian who contributed to the development of this country is Stephen Roman, a Slovak immigrant, who came to this great land of opportunity less than 20 years ago with only a few dollars in his pocket, but who by hard work and brain power formed, among other companies, the world's largest uranium mine, the Consolidated Denison Mines of which he is president. That is why at this point I pay tribute to the wise and courageous policy of immigration of Mackenzie King, a policy vigorously and successfully carried out by the former minister of immigration, Mr. Harris, and by the hon. member for Bonavista-Twillingate (Mr. Pickersgill).

Since it is the duty of a loyal opposition to oppose, I cannot see how one can offer effective opposition without constructive

criticism. Yet, I very well know that in many minds political criticism is today frequently regarded as an ugly word, conjuring up pictures of insidious radicals and non-conformists. And before we realize it political criticism can become regarded as an un-Canadian activity instead of democracy's greatest safeguard.

Nowhere in the world more ardently than in the Kremlin is the critic considered a conspirator and as one deserving of exile and frequently death. That is why communist Kremlin, believing itself to be infallible, and determined to revolutionize this world into a godless communist society, continues in the minds of free men to be intolerant and intolerable. In the western civilization, the traditional attitude is that criticism is an attempt to test whether what is, might not be better.

Edmund Burke once said that "a nation without means of reform is without means of survival", and I personally believe that no reform can be achieved in a truly free democratic state without honest and vigorous criticism. Therefore, it is my ardent hope that this government will never resent criticism.

The city council and the citizens of Toronto expect great things from this government, and this hope is based upon the election promises of the present Prime Minister (Mr. Diefenbaker) and upon the very close friendship and co-operation which now exist between the Prime Minister of Canada, the premier of Ontario and the super-mayor of metropolitan Toronto, who sat together in the front row in Massey hall on that memorable day of April 25, 1957, at the opening of the Conservative election campaign.

At last the taxpayers of Toronto, burdened with municipal taxes steadily rising to intolerable levels, will get relief if only these election promises are all kept. Toronto has been expanding so rapidly that the taxes levied on its home-owners have become an unjust burden because they have to pay for municipal services that were basically the responsibility of the provincial and federal governments.

Education, the building of schools, the relief of the indigent and the vast number of unemployed, the building of hospitals, slum clearance, subsidization of low-cost housing, the administration of justice, the building of roadways and freeways and safer railway crossings should be met also by the provincial and federal governments. Furthermore, many responsible Torontonians are alarmed at the nonchalant attitude and delays of certain levels of government in refusing to start financing the projects of the Metropolitan Toronto Conservation Authority in order to remove the dangers of the Humber and Don river valleys which, during hurricane "Hazel" took the lives of 81 of our citizens.

In this address I consider it a pleasant duty to defend also the interests of the small businessman of whom there are over 2,000 in Trinity and who are hard pressed and heading for bankruptcy owing to the greedy expansion of giant chain stores. The present Prime Minister, in his opening campaign speech in Toronto last April, stated that the Tories will undertake to set up a committee composed of members of the cabinet and representatives of small business associations from all of Canada to take necessary effective action to assist small business, the backbone of our national business. May I remind the Prime Minister that he has done nothing and forecast nothing about this election promise.

I also urge the present government to change the Unemployment Insurance Act to increase benefits from 31 to 52 weeks for the unemployed and also to eliminate waiting periods for payments, as was promised in Toronto and other parts of Canada during his election campaign.

When I voted for the $9 increase for the senior citizens I did not forget to remind the Minister of National Health and Welfare (Mr. Monteith) of the promise of his government to include an escalator clause to protect this $9 rise against the rising cost of living and to gear it to the national productivity. I reminded him during that debate that the senior citizens, depending solely on the old age pension of $55, have barely enough for three nutritious meals for 30 days. Where are those poor people who depend solely on the old age pension to get the money for shelter, clothing and other essential hygienic products to lead a decent life? That is why I urge this government to use their influence on Premier Frost to be more just and to be even generous in his province's share to care for those destitute senior citizens.

In my riding of Trinity I have over 1,000 old age pensioners in homes for the aged such as Lambert Lodge and Hilltop Acres. I was horrified last summer when metropolitan Toronto took from those old age pensioners $5 out of their $6 increase, which is a very unjust act for I believe that all of us in this House of Commons, when we vote for an increase for these old age pensioners we believe that that increase belongs to them and is not intended to reimburse municipalities for their obligation to our destitute senior citizens.

During my varied experience as a practitioner of medicine among the working class, the poor and the aged in Toronto, and mostly

in my riding of Trinity, I have become intimately aware of and particularly concerned with the medical needs and the social welfare of my constituents and that is why I regret that in the speech from the throne there was no mention whatsoever of hospital insurance and diagnostic services. The advances of medicine in alleviating suffering and preventing disease were steadily made available to all Canadians by the progressive and beneficial assistance of the national health plans of the previous government. Federal grants to hospitals, co-operation in the production of Salk vaccine, numerous other services and a variety of pensions brought substantial relief to a wide sector of our citizens. The immediate availability of the benefits of the National Hospital Insurance and Diagnostic Services Act can provide considerable relief in the cost of sickness. Credit is due to the members of the 22nd parliament for passing unanimously this most significant piece of social welfare legislation and, above all, to the distinguished former minister of national health and welfare whose tireless energy and persistent determination made this dream come true.

I join with those who regret that the Ontario hospital commission will not provide these benefits prior to January 1, 1959 and that, as recently announced, this commission has disallowed outpatient diagnostic and laboratory services which federal legislation, enacted on April 12, 1957, so generously provided.

I therefore respectfully appeal to the Minister of National Health and Welfare to use his influence on the Ontario government to bring these benefits to our ailing citizens earlier and in a fuller measure. There are many other health problems whose solutions are urgently needed—and I draw them to the attention of the minister—such as mental health research and the modern care of the mentally ill, cancer research, research into chronic diseases such as heart disease, arthritis, blindness problems and especially helping to set up glaucoma clinics and banks for corneal transplant tissues, infant and maternal mortality, dental decay, alcoholism, increasing highway traffic deaths which are occurring every summer on our highways and many other medical problems.

I also support every effort of the provincial and federal health departments to ban the indiscriminate sale of tranquilizing drugs and to order their use only upon the recommendation of the patient's physician.

To solve these problems we need more hospitals, more research workers, more doctors, nurses and technicians. The existing shortage of personnel demands a more vigorous program of education and specialized training.

Never before has our way of life demanded so much scientific education as now and yet, unfortunately, Canada today is in a situation unique in her history. Never before have there been so few in the age group 15 to 25 years in proportion to those in other decennial age groups. This has been brought about by the low birth rate in the 1930's. Moreover, emigration to the United States of our university graduates and skilled workers has long been heavy.

Another contributing factor to this shortage, and especially to the shortage of teachers and professors, is the recent clamping down on migration of teachers, professors and other skilled workers from the countries of central Europe to Canada. It might be interesting to note that of every 100 children in Canada who start school only seven enter a university and only five obtain a degree, and very few of these ever become scientists.

Among other causes of this dearth of scientists, engineers and teachers are the poor salaries for professors, lack of funds, insufficient incentive, decline of prestige of educated people and increasing numbers of self-satisfied citizens who seem quite certain that everything desirable in life is to be found in a ranch style bungalow, a television set, travel and convivial gatherings. These people are avid for the products of science, particularly in medicine and entertainment, but they feel no attraction for a life dedicated to intellectual discipline nor for scientists as personalities.

Now that the very material things in which most people put their trust are in jeopardy Canada and the western world are faced with a need for scientists. An editorial in a Canadian weekly magazine of contemporary affairs remarked last month that "Sputnick is a symbol not so much of Russian superiority as of the failure of American and Canadian education". A NATO committee reported last month that the Soviet union is graduating nearly twice as many scientists on a per capita basis as the NATO countries put together and is also accelerating her output rate.

The need for scientists in Canada was forecast at a conference on scientific and technical manpower at St. Andrews, New Brunswick, in September, 1956. It was stated there that by 1980 Canada must quadruple her currently employed 40,000 engineers, probably more than quadruple today's scientist force of 20,000 and produce ten times as many technicians and have

55,000 university teachers. These fabulous figures are most alarming. In Canada there have been cries of alarm and some talk from the leaders of the present government, but the fears and suggestions of Canada's research directors and scientists warn us that the government is hindering the progress of scientific research by ordering cuts in expenditures.

In spite of the appeals for aid for scientific research and in spite of the election promises by Conservative party candidates of federal grants for education, these same people ignored in the throne speech the urgent need for such aid and ignored mentioning any federal grants to our universities which constitute our very first line of defence. I am sure many members and many Canadians were humiliated and scandalized as I was that Dr. Norman MacKenzie, president of the University of British Columbia has just returned from a tour of the United States to beg United States industrialists to give donations to Canadian universities and colleges.

I urge the government that this session of parliament should not close without granting financial aid to our universities and without giving grants to aid needy but talented students. Recently Walter Gordon, of the royal commission on Canada's economic prospects, stated that learning should receive economic help even if this meant we could not spend quite as much on other things. I would also recommend the formation of a national education and research committee to advise governments and universities and to solicit financial aid from governments, industries and private benefactors. I highly commend my colleague on this side of the house, the hon. member for Cartier (Mr. Crestohl) for proposing the following resolution which appeared on the opening day of parliament:

That, in the opinion of this house, the government should consider the advisability of amending the Income Tax Act so as to provide for the exemption from income taxes of tuition fees paid to universities—

He also included other schools of higher learning.

—as well as the costs to students o fall textbooks and scientific equipment—

We can assist our universities tremendously by introducing more liberal changes in our tax laws to encourage corporations to donate more money toward educational purposes such as to expand university facilities, provide more teachers and scientists, increase professors' salaries and promote scientific research, both pure and applied. More money should be available for scholarships, bursaries and loan funds even at high school level as well as at college and post-graduate levels in order to identify, encourage and support our young Canadians who have the incentive and aptitude to profit by advanced training. Industry and government could also help students help themselves by providing more summer employment and by exempting these students from unemployment insurance pay deductions. The provision of facilities to expand our universities and to provide bursaries for teachers to take summer courses would also help our drive to promote scientific advancement and produce more teachers.

Education and scientific research are the foundation of our national strength which will serve to increase our international stature and serve as a strong factor in the preservation of security and freedom. In order to preserve peace and freedom and, above all, to check the threat of communism which subordinates its peoples and policies in order to achieve its goal of world domination, we must reappraise our standards. The danger and tragedy of the progressive march of communism and the ruthless extirpation by communist dictators of freedom and basic human rights in peace-loving countries such as Hungary, Poland, the Ukraine, East Germany, the Baltic states and the Balkan countries is most appalling. A few weeks ago we marked the first anniversary of the uprisings in Hungary and Poland against their oppressors. By resisting communist tyranny with heavy personal sacrifice these people undermined the progress of communism and helped our western world in the fight against this godless and ruthless force.

The Liberal government may well be proud of its contribution of economic aid and swift emergency immigration measures to assist refugees from those areas, an act which proved that Canada backs her words with concrete action and which raised our country's stature in the eyes of the free world.

It was indeed fortifying to hear Her Majesty state that the ministers of the present government will do their utmost to participate in NATO and the United Nations in order to preserve peace. We are hopeful that the meeting of the fifteen NATO heads will determine definite and workable plans to enable co-operation in the pooling of scientific knowledge, co-ordination of defence and the extension of economic and cultural assistance to the countries that are in need.

By working through the United Nations, just one year ago the former secretary of state for external affairs was able to divert the dangerous course of the Suez crisis. This achievement in diplomacy in the United

Nations' forum won him the Nobel Peace Prize, bringing distinction and honour to himself, his party, to this house and to Canada. This Canadian idea of the United Nations emergency force was a godsend. After a whole year of operation it has proved to be a great success and has provided security in Israel, so frequently heretofore endangered. The longer the United Nations police force stays in Aqaba and Gaza, the more established the role of this force becomes as an instrument to prevent hostilities. It might be a wise thing, therefore, to use an ounce of prevention by sending such an international peace force to other threatened borders.

It is, however, a sad fact to hear that the United Nations has difficulty in financing this expeditionary force, especially as a result of the Soviet bloc refusal to contribute to its upkeep. This is further proof of the Soviet union's lack of co-operation and lack of interest in preserving peace in troubled areas. In addition to using the United Nations police force on troubled borders, the United Nations' task of preserving peace in the Middle East will be well served if the Canadian delegation plays its part by encouraging the Arab states to recognize the fact that Israel is a real and permanent state in the Middle East and that a basis for co-existence should be found. By demanding the solving of the Arab refugee problem and by advocating a United Nations sponsored economic aid and technical development program our delegation will contribute a lot towards bringing stable conditions into the Middle East and the other countries in central Europe.

Now, Mr. Speaker, I should like to continue my address in another official language which I admire and learned to speak while a student at Ottawa university.

(*Translation*):

And so, while the free world battles to check the rising tide of communism, it should not forget the victims of communism who sacrificed family possessions and even a career so as to be at the forefront of those who are fighting communist tyranny.

Have we so soon forgotten that we have celebrated the anniversaries of the revolt of the Polish workers at Poznan and of the Hungarian revolt in Budapest? We have been recently reminded of those anti-communist rebellions by the United Nations moral condemnation of Kremlin tyranny. We can all take pride in the fact that Canada, from the very beginning, played an outstanding part in welcoming the refugees from communist oppression. According to Red Cross authorities, 30,000 refugees still remain in camps in Austria and Yugoslavia. To these must be added approximately 200,000 Poles, Slovaks, Lithuanians, Czechs and others who have fled various satellite countries. Those too have resisted communism and sacrificed all to recover their liberty. And yet on July 1st the Tory government all but slammed the door in their faces. Instead of applying a firm immigration policy it has acted in a fumbling and shameless way, making short work of one of its election promises. In his opening campaign speech in Toronto on April 25 last, the Prime Minister stated that the Conservatives would undertake an aggressive immigration policy, in co-operation with the provinces, in order to bring into Canada immigrants possessing the necessary skills and training. The Conservative government, he said, would increase and promote immigration, instead of hampering it. I feel that I should remind the present ministers that their duty now consists in taking immediate and fearless action in this regard.

Yesterday, during the ceremonies of Remembrance day, when paying tribute to our gallant soldiers, airmen and seamen, did we think of the supreme sacrifice they made during the first and second World Wars? Did we also recall the sacrifices of the French underground forces, of the heroes of the British 8th army in Italy, of the brave soldiers of the 3rd United States army in France, of the heroes of the R.A.F. and of the Polish squadrons during the battle of Britain? Did we forget about the sacrifice of the Polish artillery divisions at Mount-Cassino? Finally, last but not least, have we already forgotten the millions of human beings, Jews and Gentiles alike, who suffered and even died under dreadful tortures in Nazi concentration camps or in Russian forced labour camps? Let us not forget that what they died for is worth preserving now.

May I make further remarks in French, a language I so gladly learned to speak in the happy years when I was studying philosophy at the University of Ottawa. As a humble Torontonian, I was treated with courtesy and great kindness by the reverend Oblate Fathers and my French-Canadian fellow students. As a new member of the house, and on the occasion of my first speech here, let me publicly express to them my

appreciation and esteem. The various elements of French culture I have gathered there have been a welcome addition to my education.

In this 23rd parliament which looms so large in the history of Canadian politics, I am happy to find myself in the company of five colleagues from the medical profession. I am also particularly happy to find myself in the company of the first Canadians of Italian and Chinese descent to be members of the House of Commons. I daresay that I share their feelings unreservedly, being myself the first Canadian of Polish descent to sit in this honourable house.

I am also proud to represent the cosmopolitan constituency of Trinity which in the past elected such well-known members as Hugh Plaxton, Lionel Conacher, Donald Carrick and Senator Roebuck. Like them, I wish to dedicate my life to the service of this, my native constituency. May I in this way show my gratitude towards Canada—"mon pays, mes amours", to use a phrase from the French Canadian song which I often sang on St. John the Baptist day.

Should I admit that I bend under the burden of so much dignity and responsibility imposed upon me by my duties as a representative of my fellow citizens? However, let me add at once that I take heart at the thought that, as the sole liberal member from the city of Toronto, I follow in the footsteps of a great parliamentarian and legal authority, the very distinguished former prime minister (Mr. St. Laurent), until recently leader of a Liberal government which gave our great country its most glowing years of harmony and economic development ever witnessed in our history. Bold and clear-minded architect of the full emancipation of our country, a statesman whom posterity will consider as a leading figure of the Liberal party, he saved world peace, on October 19, 1956, in directing the conduct of our representatives at the United Nations Organization. "Man's time being short," as mentioned in Holy Writ, this highly regarded leader wishes to leave the parliamentary scene. He will be remembered as one of the most important personalities in the political history of Canada. This man was a great leader and more particularly a great Canadian.

(Text):

Mr. E. J. Broome (Vancouver South): Mr. Speaker, may I first, as is the custom of the house, join with speakers who have preceded me in this debate in the congratulations they have extended to you and to the Deputy Speaker. These are no formal congratulations, sir, but a sincere tribute to one who by his fairness, tact, dignity and constant good humour, sometimes under the most trying circumstances, has earned the respect of all hon. members of this house. I must also congratulate the hon. member for Calgary South (Mr. Smith), the mover of the address in reply to Her Majesty's speech, and the hon. member for Bonaventure (Mr. Arsenault), who seconded that address.

As the house is well aware, the debate on this address was interrupted on October 23 by unanimous consent of the house in order to allow the government to introduce certain urgent, top priority legislation and the house has been occupied with this business until November 11 when the throne speech debate was resumed. What did the house accomplish in that period between October 23 and November 11? Mr. Speaker, I venture to suggest that never before in the history of Canada was so much accomplished for the people of Canada in such a short time.

On October 24 the Minister of Agriculture (Mr. Harkness) introduced a bill providing for cash advances to prairie farmers on farm-stored grain, a measure supported by every party in this house but one which had to wait for a Conservative government before being put on the statute books. This bill will advance to western farmers between $100 and $150 million on wheat stored on their farms and awaiting delivery to the wheat board. The cash advance is repaid as wheat is delivered so there is no cost to the Canadian taxpayer except administration costs. It is designed particularly to help the small farmer and its effect will be to stabilize purchasing power in the prairie provinces and thus give a lift to our whole western economy. This bill was finally passed on October 31 and, as a new member, I must confess I was amazed at the length of time hon. members on the other side of the house took to say "yes" to a bill which they all agreed from the start they would support.

Then, Mr. Speaker, we dealt with the various measures introduced by the Minister of National Health and Welfare (Mr. Monteith). First there were amendments to the Old Age Security Act increasing the pension to $55 per month, reducing the basic residence requirement from 20 years to 10 years and increasing the length of permissible temporary absence of pensioners from Canada from three months to six months. I believe

the minister's remarks when introducing this bill are worth repeating and I quote from *Hansard*, page 385:

> May I add a further word, Mr. Chairman, with respect to the level of benefit that is now proposed, namely, $55 per month. We make no extravagant claims with respect to this benefit. We do not say that it is the final or perfect solution, or that there is any magic rightness about this particular amount. We make no extravagant claims as to the generosity of the amount we are now proposing. It is my view, rather, that we should try to measure what we are doing here not in terms of generosity but in terms of justice.

This increase in pensions amounts to 37.5 per cent over the $40 level which prevailed at the first of this year while in comparison the costs of living have increased 23 per cent since 1949 when the same basic figure of $40 was in effect. When old age security payments were instituted in 1952 the gross national product was $23½ billion while in 1957 it is estimated at $30.8 billion, an increase of 32.4 per cent compared to a pension increase of 37.5 per cent.

Yes, Mr. Speaker, our senior citizens are being treated in terms of justice at long last. They will never again be left to linger behind the prosperity of the country as a whole, because we are told these pensions will be reviewed and adjusted from time to time to keep in step with increases in the cost of living.

Then the Old Age Assistance Act, which is applicable to citizens between 65 years and 70 years of age, was amended to give the same $55 per month pension, the same reduction in residence qualification and the same extension of time the pensioner could be out of the country. In addition the permissible income allowed without affecting benefits was raised to $960 a year for a single person and $1,620 for a married couple.

The Blind Persons Act was similarly amended to increase pensions to $55 and to increase permissible income to $1,200 per year for a single person and $2,100 to a married couple where both are blind, or $1,980 if only one is blind.

The Disabled Persons Act was similarly amended to increase pensions to $55 per month, increase permissible income to $960 for a single person and $1,620 a year for a married couple. The benefits have also been extended now to cover pensioners who are in homes for the aged, infirmaries or institutions for the care of incurables.

The federal government pays the entire cost of the Old Age Security Act. The other three acts are administered by the provinces and the federal government contributions are paid to the provinces on the basis of 50 per cent of the pension for old age assistance and disabled persons and on the basis of 75 per cent of the pension, so far as blind persons are concerned. It is up to the provinces as to whether they take full advantage of the federal offer or not.

The speech from the throne foreshadowed changes in veterans legislation, as could be expected from a government which includes more veterans than any previous government in Canadian history. This house has in the past four days passed an act to amend the War Veterans Allowance Act of 1952. Briefly the amendments reduced from 20 years to 10 years the period imperial and allied veterans or their widows had to be resident in Canada in order to qualify for benefits and increased the benefits payable under the act. Permissible absence from the country has been increased from three months to six months. Allowances are now payable to veterans who served at least one year in the United Kingdom and who formerly were not eligible under the act. Many of these men were instructors, anxious for duty in France and held against their will in the United Kingdom.

Mr. Speaker, as we debated this bill, clause by clause, in committee, I was amused to hear hon. members of the opposition competing with each other in their praise of the government for this legislation. My amusement changed to amazement when we came to clause 8 which this government proposed to repeal because it had the effect of refusing to children of men who died in action or as the result of service disabilities the same level of income as that provided to orphans under the War Veterans Allowance Act. Every Liberal member who spoke agreed that this clause represented rank discrimination and should never have been in the act. Then what were the hon. members of the opposition doing from 1952 when this act came into being until June 10 of this year? They were the government and they had the power; why then did they not do something about it?

Finally the Minister of Labour (Mr. Starr) introduced the bill providing for annual vacations with pay for employees in public works and undertakings under federal control and the Minister of Veterans Affairs (Mr. Brooks) introduced a measure to amend the veterans Pension Act. The Pension Act amendments are mainly to correct certain injustices, to provide additional benefits for former members of the forces and their dependents and to bring these benefits more in line with the increase in the basic scale of pensions for disability and death, which became effective last July.

At the next session I understand a special committee on veterans affairs will be set up

and there will be time available for a complete review of the Pension Act. When this act is reviewed, apart from increases to basic pensions, I believe considerable study will have to be given to actual case histories to determine whether veterans are getting the benefit of the doubt which they are supposed to get. It is my belief that the pensions board is not giving applicants the benefit of the doubt and are in fact refusing pensions where evidence is overwhelmingly on the side of the applicant.

This same standing committee on veterans affairs should also take up the question of merchant seamen who served so greatly during the war and who at the present time are not eligible for the benefits of the veterans allowance act. The merchant marine was the fourth arm of the fighting services and in my opinion has not received the consideration it deserves.

These last two bills I have mentioned have not as yet been passed as debate on them was broken off so that we could return to the debate on the speech from the throne.

I have dealt in considerable detail with the work of parliament to date to show that this government has in fact already carried out the major part of its program as outlined in the throne speech, and that the promises made to the people of Canada are being kept. Legislation passed to date will return to the Canadian people hundreds of millions of dollars, the greatest part of which will be immediately spent on food, shelter, clothing and other necessities of life. This money will benefit every section of our economy and will be directly reflected in increased business in every Canadian community.

The riding of Vancouver South which I have the honour to represent is vitally concerned in all of these measures. Thousands of senior citizens in my riding will be helped by them and thousands of veterans will approve of this government's recognition of the debt we owe them and the fact that in our veterans legislation we have so closely followed the recommendations of their own organization the Canadian Legion.

The prosperity of my riding is dependant upon the prosperity of British Columbia and this in turn is to a great extent dependant on our forest industries. The $150 million made available through Central Mortgage and Housing Corporation is good but more is needed. House building throughout Canada must be further stimulated and I would like to see the National Housing Act broadened to reduce the down payment necessary and to include in the purchase price the major accessories such as refrigerators, ranges and washing machines. If this were done the upsurge in home building would be of tremendous value, not only to the forest industries of British Columbia but also to the manufacturers of Ontario and Quebec.

There is no more worth-while investment a young couple just starting out in their married life can make than the purchase of a home. Family life is the corner-stone of our way of living and we must make it possible for the ordinary person to acquire his own home where his family can be brought up under good living conditions. For many reasons it is not always practical for young people to build new houses and very few of them can save the necessary cash required to purchase an existing house. They therefore are forced in many cases to undertake second mortgages at fantastic rates of interest when you consider the premium they usually pay for this money. It is not unusual for a second mortgage to be written for $4,000 at 7 per cent interest, but the borrower may only receive $3,000 or less. The National Housing Act should be expanded to cover the purchase of such homes on reasonable down payments and at reasonable interest rates.

The development of power on the Columbia is placed high on the list in our natural development program and we would like to see it proceeded with as quickly as possible, but because our public funds are involved this development should be under the control of the British Columbia power commission. This does not preclude the British Columbia power commission from selling blocks of power to private power corporations. We believe in this development rather than the development of power from the Fraser river because we must protect our salmon, a source of food given to us by God which will be with us forever unless we wilfully destroy it for the sake of a very short respite from a power shortage. There must be no hydro developments on important salmon streams. The Columbia and other power sites which will not affect our fisheries will tide us over the period required until nuclear power plants are economically feasible.

This time is not as far away as some may think. The British Columbia Electric Company has let the first contracts for a 1,200,000 horsepower thermal plant but this plant is designed so that in the future it can be converted to a nuclear fuel plant. It is interesting to note that a British firm, in competition with the United States, Swiss and German firms won the contract for six turbo-generators for this new British Columbia Electric plant, a contract worth $25 million. We in the west have always been conscious

of the necessity to build up British imports so that country can buy our lumber, our fish, our metals and our grain.

We believe our fishing industry, through the fisheries association of British Columbia, was the first industry to devise a practical method of increasing this Canadian-United Kingdom trade. A few years ago we lost the United Kingdom market for our salmon because of lack of dollars in Britain. Our fishing industry set up a United Kingdom industrial committee for the purpose of surveying the requirements of the fishing industry and to recommend items of British origin which could meet their requirements. It toured the United Kingdom, met manufacturers and educated them as to the particular requirements of the fishing industry. The net result was a tremendous increase in the volume of British goods purchased by the fishing industry.

The committee was set up in the fall of 1953 and in 1954 the British Columbia fishing industry bought $6 million worth of British goods at no sacrifice in quality and usually at cost reductions as well. There were no strings attached, no implied commitments that the United Kingdom would have to purchase fish to the value of the fishing industry's purchases in the United Kingdom. It was simply an effort on an industrywide basis to help an old friend and a good customer. Nor was it a one effort job. The committee is a continuing one, keeping member companies up to date on British products which are acceptable to the industry, giving information as to local agents, servicing facilities and so on. Any British manufacturer wishing to sell to this industry can contact the committee and know his product will be given a fair trial and, if acceptable, will be placed on the approved list. Member companies report monthly on the volume of British goods purchased and on their experience in using this goods.

I commend this story to the Minister of Trade and Commerce (Mr. Churchill). If other industries could be induced to do the same thing as our fishing industry has done we would very soon have a mutually increased trade with our old customer who wants to buy from us if we will only buy from him.

Hon. members of the opposition have indicated that they are opposed to switching of imports from the United States to the United Kingdom. They state that any such action is likely to antagonize the United States. I would like to point out that we are presently purchasing almost $1 billion more of goods from the United States than we are selling to them. I willingly concede that we on this side of the house are most anxious to increase our exports to the United States and that we are not trying to reduce our general trade picture but rather to increase it.

We presently have all our eggs in one basket, and if hon. members of the opposition consider that to be the mark of prudent government then they have not yet learned the lesson of June 10. It has become the policy of this government to carry the story of Canada's economic problems direct to the United States people. This has been done in speeches made by the Prime Minister (Mr. Diefenbaker) and by members of the cabinet before audiences in the United States.

The Washington *Post* has this to say in regard to these speeches:

> The traditional friendship of these two countries can only be preserved and fostered by such straightforward exchanges of views.

The New York *Times* says this:

> These are not unreasonable suggestions, and Mr. Diefenbaker's spirit of candour and willingness to seek mutually satisfactory solutions provides a setting for ironing out our present irritants.

The St. Louis *Post Dispatch* puts it this way:

> Canada does not want to become an economic colony. As a matter of sound policy Washington also must be averse to such a possibility. With a genuine community of interests it should not be difficult to initiate co-operative steps toward allaying Canadian fears.

Another publication, the *American Metal Market,* says the United States method of disposing of its wheat surpluses has "pulled the rug" from under Canadian exports.

Mr. Speaker, British Columbia joined confederation on the promise that we would be linked with the rest of Canada by rail transportation. Today there is another and faster means of transportation which all too long has had a monopoly in this field. Trans-Canada Air Lines has not only had a monopoly but it has charged the highest rates on the North American continent. In a last minute death-bed repentance it announced on November 8 a new domestic fare structure with up to 20 per cent reduction effective January 1, 1958, to bring its fares into conformity with the rates of other North American air lines. Canada years ago outgrew the necessity for pampering and protecting its monopoly air line, a monopoly which has brought about inefficient operation, and disregard of passenger convenience, and now by its own statement it admits it has been overcharging us as well.

The Vancouver *Sun* in a recent editorial called for competition to T.C.A. and in part had this to say about T.C.A. operation:

> Late departures. Missed connections with dreary, uncomfortable waiting-room layovers.

Sudden downgrading due to equipment failures from the much-advertised super-Constellation to cramped, ancient tourist North Stars. Frequent turnbacks by these same North Stars.

Along with endless upsets in plans, a superb blend of indifference, insolence and sometimes outright belligerence from too many members of the T.C.A. ground staff.

The protesting traveller is always wrong. That is made plain to him right from the start.

Some T.C.A. staffers come out with it bluntly—There's no alternative—when asked whether something cannot be done to remedy a four-hour layover, or an hours late arrival in the middle of the night with a busy day ahead.

Others merely shrug off all protests as plain unreasonableness, as ugly refusal by rude travellers to concede what fine service T.C.A. operates.

Ground staffers cannot be entirely blamed for getting case-hardened. They meet so many outraged T.C.A. travellers so often. But the general fumbling of T.C.A. passenger handling cries for remedy.

The remedy is simple

Provide competition. Face T.C.A. with a vigorous rival private air line, eager to gain business by giving service to the public.

I would go even further than this Mr. Speaker. Provide competition for T.C.A. certainly, but why not do the job right and sell T.C.A. to private operators. As a condition of the sale make it impossible for shares to be owned by anyone except Canadians and make it illegal for any competing air line to own shares in T.C.A. Then, and only then, will this fat cat of the former government be operated on the basis it was set up to operate on and that is to provide good, efficient and reasonable service to the Canadian public.

Mr. Speaker, there will shortly be held a dominion-provincial conference and undoubtedly the major topic at that meeting will be the question of federal subsidies to the provinces. The provinces are coming to rely more and more on subsidies from the federal government and in the same manner municipalities have become absolutely dependant on subsidies from their provincial governments to cover their cost of operation.

My riding is a riding of home owners, and it is impossible for taxes on real property to take care of the constantly increasing costs of schools, hospitals, welfare, roads, fire, police and so on.

In particular, it must be recognized that education is not a local matter any more. It is detrimental to Canada as a whole if the level of education in any part of the country is substantially lower than elsewhere. To achieve a desirable standard of education across Canada more money must be provided to build modern schools and to pay the salaries of properly qualified teachers. The greatest indictment of our present system is the inequality of educational opportunity which is offered our children in city, town and rural areas.

It has been stated that the aim of education is to give every Canadian that form and extent of free education for which his capacity, interests and appreciation are suited, and to have the services of carefully selected and adequately trained teachers. This minimum standard should be based not upon the wealth of the parent, of the local school district, or even of the province but on the wealth and resources of the country as a whole.

Mr. Speaker, may I call it six o'clock?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Broome: Mr. Speaker, when the house took recess at six o'clock I believe I had finished saying that I thought education should not be dependent on the wealth of the district, the city or the province but that it was actually a charge on the wealth and resources of the country as a whole. Good education requires properly qualified teachers. At the present time 21 per cent of all teachers in Canada hold only permits, temporary and third-class certificates; this number varying from about one per cent in British Columbia to 58 per cent in Newfoundland. Teaching is a difficult, technical job, requiring a high degree of education by those who practise it. We call teaching a profession, a status it has for the majority of qualified teachers, but standards of entrance to it are not such as to ensure a professional status.

By 1965, in Canada we will require 38,000 extra classrooms at a capital cost of about $900 million and an annual increase in teachers' salaries of around $125 million. Real property can no longer bear its present heavy load of school costs. Methods of financing education must be modernized so that we can continue to build modern schools and pay salaries to teachers in keeping with their responsibilities. Our standards of education, from a national point of view, are not high enough. All hon. members heard the hon. member for St. John's East (Mr. McGrath) tell about educational standards in his province. Our children are the greatest asset this country has and we must recognize their right to an adequate education and make it financially possible for this objective to be attained.

Education is and must remain a provincial responsibility, but there is a lesson for us to

learn from the man-made satellites passing overhead and that lesson is that we must develop our human resources by education as well as exploiting our material resources. Federal subsidies to the provinces are now used in part by the provinces to aid in educational costs. A province can, however, use this money and rightly so in any way it sees fit. Some over-all pattern must be evolved which will deal fairly with educational problems and educational standards on a national scale and at the same time relieve real property of the greater part of educational costs.

A few days ago the hon. member for Nanaimo (Mr. Cameron) told the house that Canadian welders had not been given equal opportunities of employment with United States welders on some pipe line construction spreads. The hon. member for Kootenay West (Mr. Herridge) said that similar cases had been drawn to his attention and, on being investigated, had been found to be true. The situation was drawn to the attention of the former minister of labour who replied that only a limited number had been admitted as supervisory personnel. I wish to inform the house that if anything the hon. members understated the facts. Citizens of the United States by the hundreds came in as landed immigrants with absolutely no intention of taking up permanent residence. Others came in supposedly as visitors but in reality to take pre-arranged jobs. This applies not only to welders but also to engineers, foremen and other supervisory personnel. On many jobs they might just as well have hung out a sign reading "Only Americans need apply."

For all practical purposes in certain fields of construction in British Columbia and Alberta we have become another state of the American union. I am not speaking of matters I know nothing about. For the past 12 years I have had a close association with the engineering field in western Canada. I believe citizens of the United States coming over should be subject to the same rules and regulations as govern Canadians going to the United States. United States personnel working for Canadian subsidiaries should be required to develop Canadian understudies for their jobs or else become Canadian citizens if they intend to stay here permanently. It is high time that the national interest of Canada should be considered in the operation of wholly-owned Canadian subsidiaries of foreign firms. We threw off the yoke of colonialism a long time ago but the yoke of economic vassalism is becoming ever more firmly fixed to our necks. I tell this house that there are highly trained engineers, skilled craftsmen and supervisors unemployed in Vancouver and Edmonton while the jobs which should be theirs are held by United States citizens who have no intention of ever becoming citizens of this country.

The granting of work permits has become a routine matter with our officials and the whole system needs tightening up. No permit should be given unless it is proven by the applying company that they cannot secure qualified Canadians, and I can assure this house that if this procedure is followed we shall need little if any technical help from outside the country.

We welcome all foreign capital. Such capital is needed to develop and exploit the resources of this country. This is a safe home for such capital; this is a free enterprise economy and, my friends on the opposite side to the contrary, the chances of state socialism are practically non-existent. This is one of the few safe homes for foreign capital offering good profit possibilities and also almost certain appreciation of capital through the natural growth of this country. But these Canadian subsidiaries must be Canadian in spirit as well as in name, with Canadian interests their first concern and not simply branch-office extensions of the parent company and operated in the national interests of another country. It is in the best self-interest of foreign companies owning Canadian subsidiaries to operate them in this manner.

For 22 years, Mr. Speaker, we were ruled by a government which eventually became the servant and not the master of its own bureaucracy. The former cabinet ministers became simply administrators of huge complex departments out of touch with their own members and out of touch with the Canadian people. It was time for the change.

Bureaucracy, by its very nature, fears and resists change and therefore any advances had to be made at a pace slow enough to allow the bureaucratic machine to assimilate these changes without too much trouble. The gap between the brass and the grass, as it has so aptly been described widened to the point where communication utterly broke down.

In the Conservative party today we have the true reform party, the true party of the people. Our leader, the Prime Minister, has done more for the people of Canada in seven weeks than the previous government did in the same number of years.

Mr. Byrne: Explain.

Mr. Broome: His leadership has been felt not only in Canada but throughout the whole British commonwealth of nations. Canada

today is more a nation than ever before, a better partner in the commonwealth and at the same time we are treated with greater respect and understanding for our own peculiar problems by the United States.

Canada today speaks in the cause of peace at the United Nations with a more assured and more independent voice. And mark the word "independent". Canada today works to maintain peace by helping the eastern nations of the commonwealth to a better standard of living through the Colombo plan, a plan which I hope will be extended in scope, as this plan is not only a sure buffer against the further spread of communism in the Far East but holds the key to a lasting peace.

We are pledged, Mr. Speaker, to see to it that our resources are developed for the benefit of all Canadians so that this land is a good place for us to live in and that this land, if possible, will be a better one for our children.

Mr. Claude Ellis (Regina City): Mr. Speaker, all of us have wondered just how much legislation the government intends to bring down this session to meet the commitments they made to the Canadian people prior to June 10. After listening to the type of speech we have just heard one could be excused for being a little alarmed. From the many statements made by supporters of the government to the effect that the government has done so much one can only begin to wonder whether we have had it as far as their legislative program is concerned.

An hon. Member: Wait and see.

Mr. Ellis: Of all the promises which were made by that party prior to June 10 so few have been implemented and yet on the basis of the little that has been done members across the way are taking unto themselves credit for virtually everything that has been done in this country. I suggest that the hon. member who has just taken his seat made many statements with which we could take serious objection and which I feel require a great deal of documentation. However, since it was a maiden speech I am sure members of the house will refrain from making the comments which would normally have been made.

An hon. Member: Do not worry. Go ahead and make them.

Mr. Ellis: However, I should like to take this opportunity to present to the government a number of problems important to the people of my constituency. The citizens of Regina, I may say, have looked forward to this session of parliament with greater hope and anticipation than in the case of any other previous session. The reason for this optimism is obvious. The present government is in a minority position. Consequently the people of Canada know that any action which might be forthcoming will have to be put into effect at this session. We know, however, that in the position in which the government finds itself it cannot, as was the custom of previous Conservative and Liberal governments, defer or put off indefinitely, or at least for four years until the eve of an election, the pledges which they made to the people prior to polling day.

I have noted with some amusement the crocodile tears being shed by many newspapers in Canada over what they call the present political instability. They even go so far as to point to France and suggest that because we in Canada have finally emerged from that very stable position in which we found ourselves for some 22 years we are obviously going to go to the other extreme. I think such a suggestion is utter nonsense. This is a democratic country and the Canadian people have the right to vote for any shade of political opinion they desire. There is certainly nothing sacred about the traditional Liberal-Tory so-called two-party system that has obtained in this country for a great many years. I am certain that the people in my part of the country would not relish a return to the days when there was no real choice in Canada, when they were confronted with the alternative of voting for either the one or the other wing of the same party even though each wing was known by a different name, Liberal or Progressive Conservative, and even though the parties were staffed by two different sets of political personalities.

We realize there is nothing to be gained by turning back the clock. We realize there are no essential differences either in philosophy or policy between the official opposition in the house and the government of the day. Under these circumstances there can be no genuine two-party structure in Canada. The British parliamentary system functions best under a two-party system provided there is a real difference between the two parties, not this sham battle that has been carried on between the Liberals and the Conservatives over the years when it has simply been a question of the ins and the outs, the one party in power and the other party out of power, the party out being the progressives and trying to drive out the conservatives and when they get into power the situation is completely reversed.

One thing that has been aptly demonstrated in this session is that there is no indication

whatsoever of any fundamental difference in policy between the government of the day and its predecessor Liberal government. There is not one indication in the legislative program of the present government to suggest that there was any real change of government on June 10. It is true that amendments to existing legislation have been brought forward but they have merely been amendments with regard to amounts rather than amendments involving differences in principle.

During the summer months I had the good fortune to be able to visit a great number of my constituents and to talk over with them the prospects of the new parliament. I found there was a great deal of uniformity of opinion on certain basic questions. I found that the people of Regina generally, irrespective of the way they voted in the last election, expected that as the result of the minority position in which the present government finds itself we were going to get more results this fall than would have been obtained if any party had received an over-all majority. Moreover, they were equally anxious that the present government come forward with its legislative program in order that it might be judged on the basis of what it does and not on the basis of speeches made by the Prime Minister (Mr. Diefenbaker) and the members of his cabinet.

An hon. Member: What would you have done?

Mr. Ellis: They realize, of course, that the defeat of the government on the floor of the house on a want of confidence motion would bring on an early election, but apart from that possibility or eventuality there was general agreement that the new government was honour bound to fulfil its commitments, to continue to present its program and take its chances on the floor of the House of Commons.

Following the last election the present Prime Minister as leader of the victorious party had a decision to make, whether to form a government or whether to decline the invitation. There was no compulsion involved at all. He decided to form a government and we must presume that he did so out of a desire to present the Conservative program to parliament. I would suggest that there is a moral obligation on the part of the government to continue to bring down the type of legislation which they promised the Canadian people prior to June 10 and to continue to bring down that legislation as long as they enjoy the confidence of the majority of the members of the House of Commons. It seems to me that should be obvious to all members.

Of course, I suppose the Prime Minister may feel he has an obligation to serve the political needs of the Progressive Conservative party. That is a question that he himself has to decide, whether to give top priority to their solemn obligations to the people of Canada and proceed as far as they can with their legislative program or whether to place the particular political needs of a political party uppermost in the minds of the government.

Mr. Fraser: The people come first.

Mr. Ellis: I suggest that there have been indications of late that the supporters of the government are more preoccupied with playing politics than they are with pursuing the program of action promised the people of Canada prior to the last election. We have seen indications of that in speeches made in the house. We have seen other indications in speeches made outside the house. I noticed in the Windsor *Star* the other day a report of the Tory nominating convention in one of the Essex seats. I quote right from that newspaper the words of a Conservative member of this house:

> The Prime Minister is champing at the bit, waiting for an opportunity to dissolve parliament.

I would think that the hon. member who made that statement is being a little unfair about the Prime Minister because what he is suggesting, in effect, is that the Prime Minister is more concerned with finding an excuse to call an election than he is in completing the job which he was put into office to do. I would suggest that the people of Canada would prefer to judge this government on the basis of the fulfilment of all its pledges. They would take a very contrary view if they were to believe that the only reason an election was precipitated was because the leader of the government felt it was to the political advantage of the Conservative party so to do. I am sure, Mr. Speaker, that the people of my constituency are much less concerned about the political fortunes of the Conservative party than they are with the legislative program which they have reason to believe should be brought down at this time.

We ask questions on orders of the day to try to get some indication from the government whether or not they are going to introduce amendments to the Unemployment Insurance Act or the National Housing Act, and what do they say? They say, due to the shortness of the session we are not going to be able to do that. What is all this talk about the shortness of the session? We are sent down here to do a job, and so far as I am concerned we should stay in Ottawa until that job is completed. As long as the government continues to enjoy the voting

support of the members of this house, then the government has a moral and legal obligation to continue to give service.

What are some of these questions that have gone unanswered as yet by the government of the day? A moment ago I mentioned unemployment insurance. In view of the growing severity of the unemployment situation, amendments to this act are long overdue. We know that on April 25, speaking in Toronto, the Prime Minister promised to amend the Unemployment Insurance Act to increase benefits, to eliminate the waiting time and to extend the benefits to a full 52 weeks. When, Mr. Speaker, may we expect some action to fufil that pledge? Surely, no hon. member in this house can suggest that the situation is not urgent or that this is something that should be put off until another session of this parliament. This is something that is crying out for attention.

I realize that the Prime Minister has admonished those who use the word "unemployment", suggesting that such thinking has caused a depression. I recall many years ago, as a youngster, reading an account of an economist who was trying to explain the reason for the last depression. The only intelligible answer which he could give was that everyone lost confidence, so we had a depression. Now the suggestion is going abroad that anyone who draws the attention of the government to the serious unemployment problem in Canada is destroying confidence and, in some obscure way, is aggravating the problem that is growing day by day.

We in the C.C.F. believe that full employment ought to be of prime concern to the present government. There is no excuse for unemployment in this country. I agree that there is a fractional unemployment of a seasonal nature which occurs in certain districts as a result of a switch-over in jobs. We are never going to have a time when everybody in the labour market is placed. But I suggest that any time the number of these applicants for employment exceeds 2 per cent of our labour force we are faced with unemployment.

What is the government doing about unemployment? The answer given by the Minister of Labour (Mr. Starr) is exactly the same as the answer which could have been given by the minister of labour last year, the year before or ten years ago. I cannot see any difference in policy between the present government and the Liberal government with respect to unemployment. Certainly directives are issued to employment offices; they set up their advertising to try to get a little work done, but that is not the answer to the problem.

Mr. Starr: What is the answer?

Mr. Ellis: We will be happy to discuss it at the appropriate time.

Mr. Starr: You tell me what the answer is.

Mr. Ellis: The minister will have a full indication at the appropriate time when his estimates are before the house.

Mr. Starr: You tell us.

Mr. Argue: Sell some wheat.

Mr. Ellis: The Prime Minister has said over the radio and television that the unemployment situation is not serious. I suggest that for a single Canadian worker to be out of work is a personal tragedy. When you multiply that by hundreds of thousands of workers in this country, then you realize the full extent of the tragedy. In the meantime, we have yet to see any indication that the present government has any effective plan to deal with the unemployment situation.

Mr. Bell (Carleton): What is the hon. gentleman's plan?

Mr. Starr: Give us a suggestion, and we will carry it out.

Mr. Ellis: If hon. members will vote for our amendment they will find it covers the point very well. We in the C.C.F. believe the only way you can maintain full employment is by adopting those measures of social and economic planning which are necessary to maintain it.

Some hon. Members: Oh, oh.

Mr. Ellis: I am suggesting that there is no difference between the Conservative party and the Liberal party in this respect. There was no difference between the policy of Mr. Bennett of putting the unemployed in relief camps and the policy of Mr. King of giving them 50 cents a day. So far neither the Liberals nor the Conservatives have come up with any solution to the unemployment problem.

An hon. Member: Neither can you.

Mr. Ellis: The Conservatives suggest they have the answer. I suggest the Minister of Labour and the Prime Minister take the house into their confidence and tell us what the government proposes to do in so far as unemployment is concerned, instead of drifting and just keeping their fingers crossed, hoping for the best. The government appears to be following that policy.

There are several matters, Mr. Speaker, that are of considerable importance to the

people of my constituency. As you know, in Saskatchewan for many years we have enjoyed a hospital plan. Certainly, by all odds it has been the most successful of its kind. We have been waiting a long, long time for some action on the part of the federal government to provide for federal-provincial participation in the payment of hospital bills. After waiting for so many years for the Liberals to do something, perhaps we raised our hopes too high when the government changed this year. Certainly, we had reason to hope that the new government would depart from the Liberal policy of procrastination and make it possible for a province like Saskatchewan, which has been waiting for so many years for federal participation in our hospital plan, to participate in a federal plan. What do we find? We find evasive answers and no indication by the federal government that Saskatchewan will be able to enter into an agreement with Ottawa at an early date, nor that the people of Saskatchewan, who have borne this burden of hospital care during the past ten years, will be able to enjoy a measure of federal participation in that scheme.

I suggest that at this session the Minister of National Health and Welfare (Mr. Monteith) and other members of the government make it crystal clear whether or not they are going to permit these provinces which have plans in operation now to enter into an agreement in order that the people of those provinces might enjoy the benefits of this legislation at the carliest possible date.

Now, Mr. Speaker, there are a number of local matters to which I should like to refer briefly. There is one matter which I should like to draw more particularly to the attention of the Minister of Transport (Mr. Hees). Several months ago the minister was reported in the press as having indicated that the new government was going to provide for more adequate airport facilities in Canada. The Regina airport is located within the city limits and in close proximity to heavily populated residential areas.

Our city is continuing to expand at a very fast rate and the time will come when the airport will be surrounded on three sides by residential areas. It is the belief of many citizens in the city of Regina—and I share their belief—that the present location of the Regina airport constitutes a danger to the lives and property of our citizens. Moreover, the airport in its present location constitutes a barrier to continued expansion in that part of the city and some of the best building sites, badly needed for housing, are owing to their proximity to the airport, beyond the scope of any assistance under the National Housing Act.

[Mr. Ellis.]

The present airport in Regina was built when Regina had a fraction of its present population. At the time of its original construction it would seem to present no real problem in view of its distance from the settled areas of the city and of course the lesser role played by air transport of that day. It is obvious today that the airport, irrespective of its present ownership and its history of municipal ownership, is more national than local in character and will continue to grow in terms of the national and international aviation pictures. In these circumstances it would seem to be the better part of wisdom to think in terms of relocating the Regina airport at least several miles from the present city limits. This, of course, would provide for necessary expansion of the airport in the future and it would make available in the city of Regina larger areas of very good home-building land and above all else will remove the inconvenience and the ever present threat to the safety of the people presently living in the vicinity of the airport.

While there may be differences of opinion as to the procedure to be followed, I think most people in Regina are convinced that relocation will have to take place sooner or later, and they are most anxious that the decision should be made now rather than as a result of a possible air disaster in that area in the future. These fears are widely held by my constituents and can be resolved only by the decision to move the airport within a reasonable distance fom the city limits. I urge the Minister of Transport (Mr. Hees) to give this matter his early and earnest consideration and that he consider such relocation as part of a forward looking, federal aviation policy.

I now desire to make some reference to an important question in my own province. The other day my colleague the hon. member for Kindersley (Mr. Johnson) asked the Prime Minister what he intended to do in the light of the solemn pledge made by the Prime Minister to the people of Saskatchewan prior to the last election, namely that within six months of the election of a Conservative government a start would be made on the South Saskatchewan dam. In the answer made to that extremely important question the Prime Minister sought to create the impression that the provincial government is holding up the procedure, that the provincial government has changed its policy. I was rather intrigued that particular afternoon because a few moments previously, in answer to a question asked by an hon. member with regard to a press report which I believe reported the Minister of Agriculture (Mr. Harkness) as opposing an increase in the

expenditure under FAO, the Prime Minister took the attitude, "Well, of course you cannot depend on anything you see in the press; you cannot go by press reports". But a few moments later he rose in his place in the house and suggested that because he had heard there was a press report to the effect that a certain top figure in the province of Saskatchewan had made a certain speech, he took that as government policy. You see, the Prime Minister can take one attitude towards press clippings one moment and an entirely different attitude a few moments later.

An hon. Member: Honest John.

Mr. Ellis: I would suggest that the Prime Minister made a most revealing statement. He said he thought this was settled two years ago. This is a very interesting statement because he is admitting in effect that in spite of all the nasty things he said about the former minister of agriculture and the Liberal party with regard to the dam over past years, he now accepts their policy as government policy today. He suggests that because the minister of agriculture was able, through his machinations, to drive a bargain with or impose a certain set of conditions on the province of Saskatchewan—

An hon. Member: You mean the former minister of agriculture?

Mr. Ellis: Yes, the former minister of agriculture.

Some hon. Members: Oh, oh.

Mr. Murphy (Westmorland): They are both Saskatchewan boys.

Mr. Ellis: It was a most revealing statement. Then the Prime Minister made the statement, "I do not think the provincial government should alter the rules between innings". That is another very interesting statement. He is suggesting in effect that after all there is not any difference between the policy of the Liberal government or the former Liberal government and that of the present Conservative government, that he has simply adopted the baby of the former minister of agriculture and called it his own and has suggested that what Jimmy Gardiner or the former minister of agriculture, I should say, was able to ram down the throats of the people of Saskatchewan is all right by him.

When the Prime Minister talks about changing the rules between innings, may I ask whose rules? The rules set up by the former minister of agriculture which he changed around at his will? We never did know what the rules were. But now the Prime Minister is apparently so enamoured of the former minister of agriculture that he accepts unto his bosom all the conditions and all the twistings and turnings of the former minister of agriculture with respect to the dam.

Let us look back into the record. The present Prime Minister had a great deal to say about the South Saskatchewan dam when he was in opposition.

An hon. Member: We are going to build it.

Mr. Ellis: I do not want to go into the sordid history of the Liberal treatment of this important national project but I want to remind hon. members of this house that from 1940 on, or perhaps before 1940, the Liberals had gone up and down the province of Saskatchewan promising to build the dam. They never said that the province was going into it. No, it was going to be a purely federal undertaking; and that is what the present Prime Minister understood at that time. I have in my hand some exerts from some speeches. I went through all the speeches made by the present Prime Minister on the South Saskatchewan dam and they make extremely interesting reading. For example, I note that on March 29, 1949, in reply to the former minister of agriculture, the present Prime Minister said this as reported at page 2120 of *Hansard* of that year:

> I am glad to have the sympathy of the hon. gentleman, but what the people of Saskatchewan want is not sympathy at election time but action in parliament.

That is precisely what we want. We want action in parliament right now. Then he went on to say this:

> It will be proceeded with—

That is the South Saskatchewan dam.

> —immediately by the Progressive Conservative party when in power. Full consideration has been given to this matter. The leader of this party, having been apprised of the necessities incident to the situation not only in Saskatchewan but also in parts of Alberta and Manitoba, has given his undivided support to the plea that this work be proceeded with at the earliest date that engineering skill and capacity will permit.

Then he went on to describe this as a national work. I would ask you, Mr. Speaker, to mark that phrase "a national work"—that will permit the expansion of industrial development, the extension of productivity in the areas affected, and will pay to the nation as a whole profits that can now only be dreamed of. Then he went on as reported at page 2123 of *Hansard* of the same day to say this:

> There is deep resentment over the fact that in the speech from the throne this year this matter has been neglected.

He railled against the government of the day. Then I find a very interesting excerpt from *Hansard* of February 3, 1953. This is what the present Prime Minister had to say at that time. I would ask you to remember that he said something about changing the rules between innings. The Prime Minister on that date said this:

> Then on May 31, 1951, for the first time to my knowledge, a suggestion was made by the Minister of Agriculture (Mr. Gardiner) that it would be necessary for the province of Saskatchewan to accept the responsibility of providing irrigation facilities. Until that time I had never heard, nor am I able to find any records anywhere, that there was any responsibility to fall upon the province of Saskatchewan.

So here are the Prime Minister's words after he himself had been promising that the Conservative government would immediately build the dam, criticizing the Liberal government because they had a joker up their sleeves; they were going to come out and require the provincial government to pay part of the cost. Is there any indication in the words of the Prime Minister that he had ever expected that the Conservative government would require part of the cost to be paid by the province of Saskatchewan and that his party might require the same sort of deal that the former minister of agriculture forced upon us through pressure over the years?

I suggest, Mr. Speaker, that the situation as it appears at the moment is simply this: it has been the provincial government of Saskatchewan which has taken the initiative ever since this government came to office. To get support, the premier of Saskatchewan, to the best of my knowledge, sought in a telephone conversation a meeting between the Prime Minister and the members of the Saskatchewan cabinet within weeks after the new Prime Minister took office in order to discuss this dam. The premier of Saskatchewan has written to the federal government that the province of Saskatchewan is most anxious to proceed. The Prime Minister says the rules have been changed between innings.

Mr. Knowles (Winnipeg North Centre): By him.

Mr. Ellis: Let me point out this fact. We never questioned it when the Liberal party sat on the other side of the house and required the province of Saskatchewan to pay out so much money in connection with this project; we accepted the proposition that the province should provide for the irrigation works in connection with the dam. The understanding of course was that the full cost of the dam would be borne by the federal government but then of course the Liberals came out and said "Oh no,"—I should not say the Liberals because I do not believe the Liberals ever intended to build the dam, I think the former minister of agriculture used that as a political bait as long as he was able to do so—but I say this: as a means of prolonging negotiations and trying perhaps to force the provincial authorities into throwing up their hands in disgust, he then came out and said "well you will have to pay for other costs because there cannot be the slightest suggestion that any federal money will go to subsidize power development in any one province of Canada.

On that basis the premier of the province of Saskatchewan agreed to pay the full and complete cost of all the power generating capacity in connection with that dam, and we still do. In spite of that fact the government has now indicated that it is now prepared to pay for the power development of the maritimes and in the province of British Columbia; at least they have promised to do so, but we will have to wait and see what comes of that. However, under the changed circumstances we in Saskatchewan would be perfectly within our rights if we suggested that in the light of the new policy the federal government should be prepared to undertake its share of the cost of hydroelectric development in connection with the South Saskatchewan river dam.

An hon. Member: The same treatment as in the other cases.

Mr. Ellis: That is all we are asking, the same treatment as in the maritimes and in British Columbia.

An hon. Member: You will get your answer to that in time.

Mr. Ellis: The Prime Minister said the other day the rules had been changed and he suggested the province of Saskatchewan is asking the federal government to pay for everything. That is not true. The provincial secretary of the province of Saskatchewan made it crystal clear that while the province of Saskatchewan is quite prepared to pay for the cost of the irrigation works in connection with the dam and is prepared to pay for the cost of hydroelectric stations in connection with the dam, the Saskatchewan government expects that the least the federal government would do would be to build the storage dam on its own. Under the present circumstances therefore the province of Saskatchewan will be committed to the extent of at least $65 million and all we are asking is that the federal government build the dam itself, since in the words of the Prime Minister himself, "This is a matter of great national importance".

I suggest therefore that there is no reason why the government could not at this time proceed before the deadline which I believe is six months from June last—December 10 next—to do something,—

An hon. Member: We wanted to hear your speech first.

Mr. Ellis: —to redeem the pledge made, which was I believe expected by the people generally. We have been accustomed to political betrayals on the part of the predecessors of the present government but we did hope there would be some slight difference between the actions of the members sitting on your right, Mr. Speaker, and the members who now sit on your left. I would say, however, that the conduct of the government in so far as the South Saskatchewan dam is concerned indicates there is no essential difference between the Liberal and Conservative parties or, while there may be very slight shades of difference, when it comes down to doing something and getting into action there is little choice between them.

I suggest therefore that while the hon. members on your right, Mr. Speaker, may talk in their speeches for home consumption and boast of all the things they have done in seven weeks, they have not yet scratched the surface; they have not yet come to grips with the most important problems facing this country at the present time—unemployment, wheat marketing, parity price legislation and all the things which the Conservative party promised to the people of this country. These are the things which the people of Canada were led to expect and I suggest that instead of becoming preoccupied with seeking ways and means of provoking a vote at a time which they consider advantageous to themselves, they should come forward and present their full program, go as far as they can, and then let the people of Canada be the judges.

(*Translation*):

Mr. Theogene Ricard (St. Hyacinthe-Bagot): Mr. Speaker, like any new member, it is with deep emotion that I rise to speak in this house. At the outset of my remarks, I should like to pay tribute to my constituents of St. Hyacinthe-Bagot and to thank them for the mark of confidence they gave me by electing me their member on June 10 last. I should like to assure them that I will always do my best to deserve this confidence and that it will always be a pleasure and a duty for me to speak and act on their behalf.

I should like to thank the Prime Minister (Mr. Diefenbaker) for honouring the people of my constituency by appointing me acting delegate to the 12th session of the United Nations, now taking place in New York city. May I repeat what is being said by some of my constituents: "Never was so great an honour shown the St. Hyacinthe-Bagot constituency under a Liberal government."

I would also like to offer my sincere congratulations to Mr. Speaker and Mr. Deputy Speaker on their elevation to their present important posts. I also wish to pay tribute to the Leader of the Opposition (Mr. St. Laurent). I wish him good health so that he can long enjoy a retirement which he has so richly deserved.

May I also say how ably the mover and the seconder of the address in reply (Mr. Smith and Mr. Arsenault) acquitted themselves of their respective tasks.

Mr. Speaker, rising as I do for the first time in the house, I cannot help saying how proud I am, and for several reasons. Let me name the major ones:

In the first place, I represent a constituency which is mostly made up of the two main classes in this country of ours, workers and farmers.

In the last elections, those two most representative classes of society joined in entrusting their affairs to the Conservative party. Another reason why I am proud to have been returned here is that this constituency had always been reputed to be a Liberal stronghold. You will no doubt be interested to learn, Mr. Speaker, that I am the second Conservative member to be returned since Confederation in the fine constituency of St. Hyacinthe-Bagot. The first Conservative member was elected 78 years ago with a majority of only six votes. My Liberal opponent having obtained a majority of close to 13,000 votes at the previous election, and having been elected by acclamation twice before that, it will be admitted that the 2,094 majority which I obtained from the electors of my constituency is such as to fill me with legitimate satisfaction and pride.

Mr. Speaker, as I said a moment ago, the largest groups of electors in St. Hyacinthe-Bagot riding are made up of workmen and farmers. At the mere mention of those two classes of people, you realize that in my riding, perhaps more and certainly as much as any other constituency there is need for sound social legislation.

The textile industry is the chief source of employment in my riding. You know, however, that for a decade that industry has experienced slackenings which have been most unfavourable to workers. One plant which could employ 800 workers has only about a hundred people on its payroll at the present time. The lucky ones who can rely on our other textile plants to earn a living for their family are never sure to work a full week. Often, they have to remain idle a few days each week, with consequent serious reduction in their income. Very many families therefore lack the basic necessities for the proper care of children who will make up our nation of tomorrow.

I therefore urge the Conservative government to enact sound and rational legislation to stabilize that industry and raise the employment potential, so that the greatest possible number of Canadian citizens will benefit from our country's prosperity.

Allow me, Mr. Speaker, to draw your attention to the situation of many farmers in my riding. Under the former government, the agricultural market on the federal level was unstable. The price of raw materials and the cost of production have increased each year at a frightful rate while, on the other hand, consumer prices were held at such a level that the farmers have often suffered losses and deficits which threatened their livelihood. Fortunately provincial laws have made it possible for many of them to carry on in their wonderful field of endeavour.

If farmers have put their confidence in me, it is because the Conservative party willingly gave serious consideration to this vital aspect of their economic life. I am confident that this government will find it possible to give these men who constitute the foundation of the economy, all the safeguards they have a right to demand.

I should like at this point to direct the attention of the government to the importance of the services rendered to the farmers by experimental farms. The constituency of St. Hyacinthe-Bagot is situated in the heart of one of the richest farming areas of our province. General farming is practised and breeders of pure-bred stock are among the prizewinners at local, provincial and national fairs. I urge the government to consider seriously the possibilities of improving this technical agricultural service in my constituency. I also urge it to assure sugar-beet producers all the protection they deserve.

Mr. Speaker, the speech delivered by our most gracious and beloved sovereign raised high hopes at every level of our society. Among the measures that will provide welcome relief to my people, I would mention the increase of old age pension, veterans' pensions, holidays with pay for employees of industries under federal jurisdiction, etc. I would like here to draw the attention of the Minister of National Health and Welfare (Mr. Monteith) to the necessity of increasing family allowances as soon as this government finds it feasible.

Mr. Speaker, in the matter of agriculture, I must say that the farmers were very pleased to learn that the government had decided to ask the members of the house to approve price stabilizing legislation for their products.

The announcement that amendments to certain tax laws would be submitted to the house for approval was welcomed with great enthusiasm by the workers, and particularly by textile workers who were glad to learn that the government had decided to enquire into this field of industry, in order to protect them.

The many letters of appreciation I have received from my constituents prove beyond any doubt that the citizens of my constituency, like those in the rest of Canada, highly appreciate the legislation which our government will seek to introduce.

Here, Mr. Speaker, I should like to speak on behalf of the National and Catholic Syndicate of Building Trades of St. Hyacinthe, which has asked me to urge upon the federal government to undertake or have projects carried out in my district, so that unemployment may be reduced as much as possible during the coming winter months. I realize that even if this government cannot be held responsible for the present situation, it will do all it can to improve the difficult conditions which it had to face in this field, and which are clearly detrimental to the labouring class particularly.

As a practical suggestion, the construction of a retaining wall along the Yamaska river, at St. Joseph, between Barsalou and Bouchard bridges, would provide jobs for many breadwinners. Another project which would provide jobs for workers would be the construction of tunnels under the C.N.R. railway tracks, in the eastern and western parts of St. Hyacinthe. For the last ten years, this

part of the city which is called Bourg-Joli, has developed so fast that the building of two tunnels to relieve congestion in the underground passage of St. Anne street—the only one leading to the northern part of the town—has become a necessity. Workers of the St. Hyacinthe-Annexe, in particular, are often delayed by trains passing at the level crossing in Cascades East street, when travelling to and from work. The costs of those underground passages could be assumed by the city of St. Hyacinthe, the federal government and the Canadian National Railways.

During the last two weeks, hon. members in the opposition have mentioned the national flag and the representative our country should have at the Vatican. I trust that the hon. Prime Minister will, in due course, give the representatives of the people the opportunity to submit the views of their ridings on those two matters that have been left pending by the Mackenzie King and St. Laurent governments.

(*Text*):

Mr. Speaker, I should like now to congratulate very sincerely the hon. member for Parkdale (Mr. Maloney) on the splendid speech he made in this house the other day. I am sure all hon. members will agree that it is one of the best we have heard since the beginning of the present session. The French part of this speech was a very fine gesture to the French-speaking members of this house as well as to those in the whole of the country. He reviewed the situation which faces us in such a manner and with such vision that we are permitted to believe that he has a very enviable future in our party and, thus, in government. I do not hesitate to state that a frame of mind such as the hon. member for Parkdale entertained does more for national unity than another sort of speech which was made in this house at the beginning of the present session.

English-speaking people and French-speaking people have a much better chance to understand each other and to live harmoniously side by side if they adopt the kind of thinking of the hon. member for Parkdale (Mr. Maloney), the hon. member for York Centre (Mr. Stinson), the hon. member for Greenwood (Mr. Macdonnell) and the hon. member for Trinity (Mr. Haidasz), and all those who think, act and talk as they do. This great nation of ours needs a complete understanding amongst those composing it. Members of this house can set a very effective example to their fellow citizens by taking advantage of any opportunity to show that they understand the views of other ethnical groups.

It might be interesting for many hon. members to learn that my riding elected me as a Conservative in spite of tremendous efforts on the part of the Liberal candidate, his aides and the hon. member for Laurier (Mr. Chevrier) who waged a campaign of racial, sectional and religious prejudices. In what was intended to be the great rally for the Liberals, the former member for Stormont developed the following theme, according to the report in the Liberal weekly:

> The chief of the Conservative party has made a deal with the premier of Ontario against the best interests of the province of Quebec.

When the former member of an Ontario constituency was saying:

> The Liberal party is the only one that has a unified thinking all through Canada.

I wonder whether he knew that in the same issue of the paper the Liberal organization would make a strong appeal to racial prejudices by publishing, next to the photograph of the then prime minister:

> We do not want Diefenbaker and his anti-French Canadian policy.

The members of the Liberal party who like to speak so much of Canadian unity would be keenly interested to learn that on the eve of the election the Liberal organization caused to be distributed after Sunday masses a circular appealing this time to the religious feelings of our population in such a way that the president of the Liberal organization for my riding has been arrested for having published and distributed a libelous circular without any signature or any name of a printer.

I am glad to proclaim that the people of St. Hyacinthe-Bagot, who are 99.9 per cent Canadians of French origin and who profess the Catholic religion, have ignored the sectionalism, the religious and the racial prejudice pact campaign of a former liberal member of this house. Let it be known to this house and to the country that my people do not ask for any favours; all they want is justice. Since we did not obtain it from the Liberal party we turned to our great Conservative party and I am confident that we shall obtain justice from our able leader.

In coming to this house, sir, I have accepted the obligation of acting as a representative of all the people of my constituency. Mr. Speaker, it will be a pleasure for me to devote my energy and full capacity in the best interests of our country, under the banner of the Conservative party and under the able leadership of our Prime Minister.

(*Translation*):

Mr. Rosaire Gauthier (Chicoutimi): Mr. Speaker, first of all I want to tender my sincere congratulations to the hon. members of this house for the trust the people of Canada placed in them at the federal elections, as well as my best wishes so that all decisions and all legislation in this house be taken and passed in the best interest of the Canadian nation.

My feelings and wishes are, without doubt, those of the people in my riding of Chicoutimi, which I have the honour to represent in this nation's parliament.

My speech will contain no bitter criticism, but rather the expression of a few wishes dear to the heart of the people of my riding and also dear to every Canadian of good will.

From the very beginnings of the Canadian confederation, the fundamental force which has impelled our Canadian people and the gallant political leaders who have governed the country—more particularly the Right Hon. Mr. St. Laurent, to whom I am happy to express our esteem, gratitude and admiration for what he so magnificently accomplished in our great country—has indeed been this deep-rooted trend towards a genuine and rational national unity, that is to say unity in diversity, for it does seem that the two great racial groups of our country will never unite to the point of making up a single people with a single mentality. So it was the fundamental tendency of our governments to cause our two main racial groups to constitute a national community united by bonds of human fellowship, the harmony of well-understood liberties and the respect of the democratic scale of values.

Today, after more than a century of common wishes and endeavours, after more than a century of common undertakings in the direction of true national unity, do we not sense, all of us, the undefinable feeling that this national unity must be a truly living reality in the heart of every Canadian.

On the other hand, if we do have that first feeling, we cannot escape another. We know that this unity is still threatened by certain prejudices which have the unfortunate effect of lessening it, of weakening it, and often of threatening it in its fundamental principles. Still I hope that it will never be thought that in this country, there is the west and the east. We should rather think that, notwithstanding the faults committed in the past, we form one country. These faults have been committed, and we can do little but accept them as they were. In any event the west is necessary to the east, as the east itself is just as necessary to the west. Moreover what affects one province also affects this country as a whole. Let there be no drawing back on our part. We must convince ourselves that it is absolutely indispensable for the Canadian people to understand how necessary it is to present a common front and to unite in every field of human endeavour, individually, collectively and nationally.

That is why I express the hope that the legislation which is to be adopted here will always take into account the meaning of true and authentic national unity.

(*Text*):

Besides, this unity which I have just mentioned, will not be complete unless and until full general bilingualism is achieved in this country. I do not mean a complacent, diplomatically self-seeking, limited or superficial bilingualism. Our national unity will be a living fact when we shall have live bilingualism, in complete mutual respect and admiration, a bilingualism which is alive and realistic.

I therefore express the wish that future legislation affecting in any way the issue of national interest may fully honour the principles I just stated; and only at such time as our laws, in their spirit and administration, imply general bilingualism will our national unity really progress toward the completeness we all hope for.

In spite of all this, our national unity will not be perfect without the contribution to our national heritage of a distinctive flag, a symbol of maturity, independence and sovereignty; for, even if our country is recognized as having the characteristics of an independent and free nation, these attributes are scarcely believable when it is considered that this nation is deprived of its first symbolic expression, namely a distinctive and characteristic flag which would achieve our common ideal.

This doubt, which many Canadians feel, is not, I believe, the expression of prejudices. It is not a sign of disrespect towards certain great nations to which we are deeply attached by blood, traditions, culture and memories. Nor does it reflect a lack of admiration for those great nations. On the contrary, the collective desire to obtain in the near future a distinctive and typically Canadian flag is a sign of national maturity.

When a nation reaches that stage of national maturity, as Canada has now done it requires all the means of expression which characterize and identify an adult nation. When a nation is in possession of those means

of expression it will command more respect and it will have more respect for others in the full plenitude of its maturity and with all those means of expression which it requires.

I also voice this nation's growing desire to have a distinctive flag and I hope that very soon this general desire will be fulfilled through the enactment of practical legislation which will give our country a distinctive flag, one that will serve and enshrine the cause of Canadian unity.

(*Translation*):

Furthermore, means of communications have largely contributed to bind together the various parts of the world. More and more, countries are communicating between themselves, and more and more they exchange reciprocal ideas and opinions.

Now, there is in Italy a sovereign state, a defender of the same spiritual and material values that we ourselves defend. I mean the Vatican.

I would not like to hark back to an old question, nor would I wish to raise in the house a religious issue, which would be pointless, but regardless of that, the fact remains that the supreme head of that small state is drawing the attention of the civilized world and the admiration of all nations professing to defend democracy.

That is why these countries send to the Vatican an ambassador in order to partake of the immense advantages of such a friendship.

Why should our country, I am asking you, be further deprived of the benefits resulting from such essential friendship?

I therefore wish that an early decision be taken to send to the Holy See an ambassador who would represent our country and bring us every advantage that friendly relations between countries or states can award.

Without in any way wishing to discuss at this time the delicate constitutional matter of education, I nevertheless think that the government is not unfamiliar—and this is the least one can say—with the issue of education for the citizens under its rule.

Whatever the circumstances, we advocate—and rightfully so—the development of our national wealth. Now, is it not true that there is no greater wealth for a country than its young people, whose value is incomparably higher than all our material possessions?

More than ever therefore it is high time that the lawgiver should recognize in a concrete fashion such a priority of human values over other values, by furthering education in all its forms, and that he should enable the inquisitive and believing mind to dominate matter and put it to good use, and thus to insure the survival of the other values for which we all live and toil, the triumph of our democratic ideas.

I therefore hope that our legislation will increasingly tend to favour the discovery of the talents possessed by a host of young Canadians. I wish that legislation may facilitate the mental growth of our youth through the numerous legislative means at the disposal of this government, either by tax exemptions for large families, or by the granting of scholarships in every field, an education assistance scheme, a higher training assistance plan for young people, more adequate tax exemptions in the case of teachers, etc.

Mr. Speaker, before dealing with the wishes and particular needs of my constituency, let me dwell on a matter which we all have at heart, world peace.

We are all moved by this deep desire; I need not therefore say anymore about it.

Our understanding of peace is common and collective but often we underestimate the price we have to pay to get peace and maintain it.

Peace at the present time cannot be taken for granted. We all recognize our deep desire for peace but we must also realize the vital necessity of earning peace and paying for it.

It is with the greatest possible understanding that all Canadians must make certain concessions to ensure their security and their well-being in order to avoid having to make greater sacrifices.

I therefore wish that all the acts which will soon be enacted will definitely take this wish into account in order that we may contribute to world peace and take the means to ensure and maintain it.

However, if I make it a point to ask the government to protect the moral and spiritual values of the Canadian nation, I must also bring to the attention of the house the economic and social needs of my constituency, which occupies a very important place in the present economy of this country and whose enormous natural resources have attracted to an ever increasing degree, the attention of financiers and of governments.

If we must continue to claim that we must retain in this country the advantages accruing from the exploitation of our natural resources, this development must be favoured before anything and we must then see to it that they be processed locally.

The development of these mineral resources has already begun but serious observers have noticed that the progress of these industries has been paralysed through the absence of adequate means of transportation which could be used to direct the ore to large Canadian refining plants which it would be high time to establish in strategic locations, along the St. Lawrence and the Saguenay. As a matter of fact there is already under construction at Chicoutimi a nickel refinery to which will soon be added, I hope, a copper refinery and possibly even a zinc refinery.

The Saguenay river is most certainly one of the finest inland deep draught waterways flowing into the St. Lawrence and situated hardly two hundred miles from the main northern Quebec mining centres.

The government must therefore take such steps as are necessary to establish along the Saguenay the necessary harbour facilities so that maritime transportation may henceforth contribute to the development of our immense natural resources.

The government must also intensify its research and experimental studies so as to find an economic and practical means of preventing the freezing up of navigable waters and to allow the year round use of our ports and waterways.

When it becomes possible to use our seaports all year round, the whole economy of our country will benefit from such invaluable progress. Experiments carried out in this field have shown that it is possible to prevent ice formation over rivers where the temperature is exceedingly cold. All that remains for us to do is to apply this process or any other which modern science will no doubt find.

Furthermore, if ever it becomes possible, as I firmly believe, to navigate at least as far up as Quebec city during the winter months, I am no less convinced that it will be necessary to favour year round navigation on the Saguenay river as far as Chicoutimi. In fact, I should like to point out to the Minister of Transport (Mr. Hees), the importance of ports of the Saguenay river, especially Port Alfred, the port of the Saguenay Terminals Company, which is the third largest in Canada from the point of view of traffic. I might also add that ports on the Saguenay river are deep water ports and sheltered from heavy winds, offering thereby, it seems, a distinct advantage for their maintenance during the winter months.

[Mr. Gauthier (Chicoutimi).]

It should be remembered that over most of our country the closing of seaports in winter deprives a great part of the population of its main source of income.

It would therefore be a happy solution to the serious problem of seasonal unemployment if that part of the population had the opportunity of working all year round.

Since the development of natural resources and the economy of northern Quebec are dependent on transportation, it is my duty to point out the deplorable situation of the railway services in my constituency.

The Chicoutimi constituency whose economic importance is undisputed, is connected with other centres of our country by a single railway which is in a crude condition and in this regard I call upon the testimony of those who use it. It is obvious that steps should be taken without delay to bring about the necessary improvements. We moreover urge the government to build a new railway line affording more direct connections between the city of Quebec and towns along the Saguenay, in the lake St. John area and in northern Quebec, so as to allow trains to join the national system without using the line already existing which is too long and does not meet adequately our present needs.

Since air transport has now become almost as important as transportation by water or by rail, I must mention the fact that the industrial and commercial centre of my riding has no civil airport.

A few private air companies now use the military airport of Bagotville but obviously that situation cannot last indefinitely. Distances between Chicoutimi county and other centres give a decisive value to air transport; there is no doubt that this means of transportation will be increasingly popular in the future.

We need a modern civil airport so located as to meet the needs of the whole population of the county as well as the needs of the many people who use that means of transportation to get there from the four corners of Canada and from foreign countries.

I hope that the government will give this need all the consideration it deserves.

Enlightened minds would never question the necessity of those means of transport of which I have just spoken in connection with the economy of Chicoutimi county and of the whole of Canada.

A look at the geographical situation of our county gives an idea of the importance of this problem.

This area, almost isolated in the centre of the province of Quebec, needs only adequate port, rail and air facilities to become an integral part of the industrial system of the whole country.

Some private companies were soon aware of its economic value and took the necessary steps to solve that same transportation problem to their advantage and for the benefit of our population. However, the government must do the same thing to allow other industries to establish themselves along the shores of the Saguenay river and, I repeat, the Canadian nation will benefit just as much from such improvements as will the population of the county of Chicoutimi.

I would not like to give my colleagues the impression that I ignore the identical needs of other parts of the country. It is obvious that certain parts of Canada have more urgent needs than others but it is also obvious that there are needs everywhere since we are, I would say, on the threshold of our economic development.

We are therefore pleased to see that everyone expects the federal government to give a free hand to industrial growth.

Even if the economic requirements of the whole country absorb a large slice of federal resources, the government should nevertheless seriously consider, as promised, cutting down taxes and increasing social benefits, not only old age pensions which, in spite of a slight increase, are still inadequate and should have been raised to at least $60.00 per month, from age 60 for people in need, and from age 65 for all others. I am surprised that there was no mention whatever of family allowances, which should be materially increased. Is it because they would mostly benefit Quebec people? It is up to the government to answer that question and to bring an adequate remedy.

The Minister of Labour (Mr. Starr) has lately launched a campaign for winter employment, but what does the government intend to do to help the unemployed that we are going to have in great numbers in my riding as a result of the interruption of logging operations, since the economy of our region depends on two great and important industries, aluminum and lumber, the latter remaining the most important and most sizeable. It is certainly surprising that the government seems to ignore the necessity of public works to take care of unemployment. It is the government's duty to promote full employment, to increase benefits as much as is feasible, and to give such assistance to the unemployed as long as they cannot get work.

The influx of new industries to Canada has undoubtedly the effect of creating new jobs which partially solve the unemployment problem and social insecurity. But this is not enough for social security, and I respectfully urge the government to pay particular attention to the jobless, and especially to the lumberjacks who make up a great part of the population of my riding and who, like thousands of lumberjacks all over the country, are now suffering hardship not only through a slackening of this industry, but because of complete shutdowns in logging operations.

The unemployment insurance act does not sufficiently protect this class of workers who, unlike city workers, cannot hunt for a new job in other industries without being almost forced to expatriate themselves.

The unemployment periods in lumber industry are much longer than in most other industries.

At this time, the problem is serious, and our thousands of lumberjacks are anguished because they have no hope of finding the job they absolutely need to meet the needs of their families during the winter months. Our unemployed are not asking for charity. They want jobs. Let them be given the opportunity and, should that not come to pass, I urge the government to amend the Unemployment Insurance Act so as to insure greater social protection to this class of workers by reducing the waiting period.

In newly opened areas such as ours, bush workers and farmers are the pioneers of the twentieth century, and their presence in these areas which will eventually be economically developed is essential to future development.

We must therefore take all necessary steps to allow these pioneers to remain on their farms. If, to that end and to insure the lumber industry the manpower it requires, we must amend the Unemployment Insurance Act, we should not hesitate in adopting such legislation.

I am proud to pay here a special tribute to the settlers of my constituency and of the country as a whole since these men and women are part of the very elite of our great country.

My time being limited, I will only make a passing reference to the fact, but I would like to remind you that the farmer is a

stabilizing element from the material point of view as well as being the very cornerstone not only of the material prosperity of our great country but also of its moral health in the social field. It seems necessary that there be maintained for his benefit an agricultural support price policy for his main products, especially butter, cheese, pork, eggs and poultry. It would also be advisable that account be taken of the possibility of reducing the interest rates on those loans which farmers must obtain to improve their farms. The matter of setting up a central bureau for agricultural markets should also be considered. I therefore hope that the government will be as ready to adopt these measures as it was with regard to western wheat.

As mayor of the city of Chicoutimi, I feel it is necessary that the government consider the possibility of eliminating the 15 level crossings furrowing our city from west to east and constantly endangering highway traffic. There is all the more reason to do so when we consider that those crossings are situated at the bottom of hills. The implementation of the Fairweather plan would remedy this intolerable situation and I should be very glad to give the authorities the necessary information on that matter.

Even if the Minister of Transport did not mention the port of Chicoutimi in the house these last few days, I am sure he is aware that it is a link in the chain of national harbours and I invite him to Chicoutimi to see for himself the state of neglect of some areas of this port, with a view to authorizing the necessary improvements. I would also add that sounding of the bottom of the Saguenay river should be carried out for four miles below Chicoutimi. In this way the necessary straightening out of the channel could be carried out, as well as the dredging required to allow ships of all tonnage to reach Chicoutimi at all times. Serious consideration should also be given to the possibility of allowing the C.B.C. to set up a television station at Chicoutimi to be incorporated into the national system. There are channels available for that purpose and I think that there would be no objection to the government issuing the necessary licence.

Retaining walls should also be constructed, not only along the Saguenay at Chicoutimi and at Chicoutimi-Nord, but also at Port-Alfred, along Grande-Baie boulevard and, farther on, at Anse Saint-Jean and Petit-Saguenay, as well as at Valin and Saint-Fulgence. A viaduct has been a necessity at Port-Alfred for a long time. I urge that consideration be given to that matter as soon as possible.

As a former president of the union of the municipalities of the province of Quebec, may I bring up a matter which is of vital interest to our municipalities. Everybody knows that tight money and credit restrictions are currently the most agonizing issues for our municipalities. It is now difficult and costly to sell bonds, and in some cases impossible to find buyers, even if the projects to be financed are absolutely essential to the municipalities and even if all necessary guarantees are given; furthermore in cases where financing has been possible, the price of borrowed money has increased substantially.

To the higher cost of municipal loans must be added the increased costs of labour and materials.

The taxpayer's obligations are continually increasing, thus increasing in turn the cost of services; hence the need for municipalities to find new revenues in order to be able to meet the situation. Consequently, it would be in order perhaps to turn to our senior governments in order to obtain part of the taxes paid by the taxpayers. I presume it is with this idea in mind that the government has called a federal-provincial conference for the end of this month, but in my humble opinion, the municipalities should also have been invited, since they are also closely interested in this fiscal problem.

In any case, I hope this conference will bring the municipalities an adequate solution to their fiscal problems.

Mr. Speaker, does everything I just said—and I do not want to blame anybody in particular—not stress the fact that the district of Saguenay-Lake St. John has been somewhat ignored, and that Canada has therefore not had all the benefit from its especially desirable position as a means of penetrating the very economic heart of the continental spread of Quebec, whose mineral wealth has at least been known for more than half a century.

The reason for this fact is probably easy to understand. After confederation, the wish to achieve a great Canada took priority over the care of building up the country more rationally perhaps, more economically, but in a way that would not be in keeping with the great political aim that had been set up. Disregarding the hinterland and supposing that another nation, different from eastern Canada, would have been established in western Canada, it would seem obvious that

the pattern of economic development in the east would have been entirely different. People would obviously have sought to develop the northern sections rather than reach indefinitely towards the west. However, no sooner had the political choice been made in favour of the west than the energies which were expended for the development of these areas, in order to sustain as much as possible the railway policy which was to unite the country, ceased to be available for the development of the resources of the eastern part of this country.

This development, in actual fact, was considered in the light of western railway development, not much thought being given to anything else. What happened to be near these lines was in fact developed because the development of these resources appeared more profitable. However there was no inclination to embark upon a local policy with regard to access routes which would have allowed for more balanced regional development.

Had this been done, the Saguenay-Lake St. John area would certainly have occupied a place of honour in the minds of the authorities of the day and would certainly have received a great deal more attention than has been given to it.

Indeed, our district is so located and settled as to be the heart of a large economic empire and allow developments which can contribute considerably to enhance the prestige of Canada on world markets.

Those are briefly, Mr. Speaker, the few thoughts that I wished to submit to your kind attention.

(*Text*):

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, 30 years ago today the United States, and with her the Anglo-Saxon world and its associates, had practically every trump card in her hand. Russia and the then communist world had in its hand hardly a single valuable card. Russia's one hope lay in the fact that the communist leaders were mentally alert, knew facts and consistently faced facts, while the Anglo-Saxon world's leaders, like the majority of their people, were mentally indolent, believed in falsehoods and were easily deluded.

The two Russian satellites at this dangerously late moment have shaken most Anglo-Saxons into a dull, confused realization that things are actually going wrong with us. Whether or not we shall be able to pinch ourselves awake and ourselves face facts in time, only the future will tell.

Yesterday the hon. member for Macleod (Mr. Hansell) called the attention of the house to a leading article on the front page of the *Financial Post* of October 26, 1957, entitled "Still Deluded and Disastrous". On that particular date nothing could have played into Russia's hands more effectively than did that editorial. The Ottawa Russian embassy could well have afforded to pay $1 billion to have that article written and another $1 billion to the *Financial Post* to have the article published. But the communists had no need to go to that expense. They have so fully deluded Canadians for the past 30 years that Canadians will now go on deluding each other. Canadians can now be found sufficiently dishonest and sufficiently disloyal to Canada's best interests to write such articles as this one. Every really informed person will readily detect that the editorial I am referring to is as full of falsehoods as it is of phrases. One of the greatest and most mischievous of these falsehoods is contained in the words "as funny as the money they advocate".

What constitutes funny money? What about the French Canadian playing card money first issued in 1685 by the French colonial authorities and spent into circulation for necessary supplies from the colonial merchants? Was that funny money? If so, why so? If not, why not? May I suggest that any person who cannot answer that question does not know the first thing about money. It worked admirably, that playing card money, and it remained in use until the fall of Quebec in 1759. What about the Hudson's Bay Company token money, the made-beaver, created for the Hudson's Bay Company and by that company spent into circulation for beaver skins? Was a made-beaver sound money? Made-beavers circulated for decades in the fur trade all through the west.

What about the Guernsey island notes of which in 1814 3,000 were printed by the Guernsey island government and spent into circulation to pay for building the famous Guernsey island market-house?—Were those notes funny or sound? Between 1815 and 1829, tens of thousands of pounds of such Guernsey notes were printed and cautiously and scientifically spent into circulation to pay for improvements in that 5½ mile by 9½ mile garden island; £4,000 in June, 1820, to pay off some of the island's floating debt, £580 in June, 1821 to pay off some interest-bearing debt, and so on, as recorded in "The Story of Money" by Sir Norman Angell published in 1830, at pages 252 to 257. Were those notes funny? The use of them accomplished almost incredible achievements in the island.

What about the dominion notes printed by Canada's finance minister under the Dominion Notes Act of 1868, from 1868 to 1914? Were those notes funny or sound? If so, why in either case? What about the dominion notes printed by Canada's finance minister under the Finance Act of 1914 and of 1923, hundreds of millions of dollars of which were lent into circulation through the chartered banks of Canada, and tens of millions of dollars of which were spent into circulation during world war I? Were those notes funny or sound? If so, why in either case? Sir Thomas White, great finance minister of the Conservative administration during world war I and of the union government administration during the reconstruction period after world war I, believed those notes were sound. Do you? Sir Thomas, in his "Memorandum of Dissent" from the report of the royal commission on banking and currency in Canada published in 1933, wrote the following words as reported at page 85 of that report:

It is my belief that no central bank in the world—

Notice the word "world".

—during the war period functioned more smoothly or was capable of being utilized more promptly or with greater immediate effect in serving the purposes of national and business finance than the Canadian Finance Act of 1914. It is also my view that during the period in question and in the very trying period of so-called reconstruction following the armistice no other monetary system proved more efficient or better adapted to national needs than that of the chartered banks of Canada supplemented as it was by the provisions of the Finance Act of 1914.

And again:

And in my opinion the same high degree of efficiency has been maintained by the Canadian financial system down to the present time. Of this statement we have at least partial proof in the stability of that system during the unprecedented world depression of the past four years.

Someone who knows the man who wrote that editorial in the *Financial Post* should suggest to him that he read some of these things and enlighten himself! In the light of the things I have said some of the things that were written in that *Financial Post* article are seen to be just pure nonsense. Absolute nonsense!

May I congratulate the Prime Minister (Mr. Diefenbaker) upon his outlined program for the improvement of social conditions in Canada. He will require great quantities of money; where will all that money come from? The first question he must ask himself is: Can Canadians deliver the goods he will require to feed, clothe, shelter, educate, keep healthy, defend and otherwise provide for Canadians the standard of well-being which Canadians have the right to expect and enjoy, and which our present Prime Minister is eager to render available to them? Can we as Canadians, and will we if given a chance, deliver milk and milk products, meats, grains, vegetables, fruits, sugars, etc., down through the whole list of needed goods? The answer in the main must be a thundering "Yes!"

Surely then we ought to be able to have dollars! A dollar is merely a ticket to goods and services; merely a ticket or a claim. Such being the case the more goods and services a community has and can produce and can deliver, as, when and where required, the more tickets or claims to goods and services that community ought to be able to create.

A theatre manager, having 500 seats in his theatre, ought to be able to stamp 500 tickets. That theatre manager, having 1,000 seats, ought to be able to stamp 1,000 tickets. Incidentally should that manager have to borrow those 500 tickets from anyone? Reason and common sense simultaneously answer "certainly not". He should not have to borrow those tickets. Neither should Canada have to borrow the tickets she uses unless she sees fit so to do.

Now the Canadian community in the year 1957 either has produced, or will produce, in the neighbourhood of $30 billion worth of goods. Of that amount the proportion made up of consumer goods such as food, clothing, shelter, etc., would adequately supply the needs of Canada's people, up to a good standard of living. Why then are so many Canadians not able to acquire that standard of living? The production of each and every kind of those consumer goods can be rapidly and almost indefinitely increased by Canadians if potential producers could but obtain firstly the credit with which to produce, secondly markets, and thirdly, profitable prices. Yes, Canada is able to deliver the goods!

Referring again to our illustration of theatre tickets, might we not say that, in the great Canadian theatre plenty of seats are available; why are the needed tickets not made accessible? Now, can the Diefenbaker government get the tickets or the dollars that would claim these consumer goods and the other goods Canadians are producing, and can the Diefenbaker government work out a scheme whereby they can get those tickets into the hands of potential consumers in such amounts as will enable such consumers to consume the goods and services on Canadian markets, or coming upon those markets some time in the future, without bringing about any rise in prices caused by scarcity of goods? That is to say, without causing real inflation, which, after all, is "too many dollars chasing too few goods?"

May I repeat the question I have already asked? Where will all the money come

from? During 20 years every Liberal minister who has spoken upon the subject has positively affirmed that all the money available to the government had to come from taxation, that is, to come from the pockets of Canadians. Are the ministers of the Diefenbaker government intending to make the same declaration? Is the present government going to maintain that it can have no dollars to spend except those which they can wring from our people through taxation or borrowing? Is it going to do that in spite of the record of Sir Thomas White, the great Conservative finance minister back in history, available for them to read of, and study? If so, then Canadians are doomed to disappointment and further frustration and suffering.

Any central government should possess, and scientifically exercise, the power to create money. Our fathers of confederation in 1867 provided that the federal government of Canada should possess that power. May I quote from the British North America Act section 91, clauses 14, 15 and 20:

> . . . it is hereby declared that (notwithstanding anything in this act) the exclusive legislative authority of the parliament of Canada extends to all matters coming within the classes of subjects next hereinafter enumerated; that is to say—
> 14, currency and coinage,
> 15, banking, incorporation of banks and the issue of paper money,
> 20, legal tender.

Our fathers as early as 1868 legislated for the exercise of that power by enacting the Dominion Notes Act. The Dominion Notes Act of 1868 empowered Canada's minister of finance to create and issue up to $8 million worth of Dominion of Canada notes, the first $5 million with 20 per cent backing in specie, that is 20 cents worth of specie behind each one dollar bill, and the next $3 million with 25 cents worth of specie behind each one dollar bill. I would refer you to the report of the royal commission on banking and currency for Canada, 1933, at page 21.

By 1913 the Dominion Notes Act had been so modified during the years, that the minister of finance was empowered to issue $30 million of notes with a backing of 25 cents worth of either gold or guaranteed debentures behind each dollar. Notice the remarkable change there—it is very significant—guaranteed debentures instead of gold! Still more dollar bills could be issued backed by 100 per cent of gold. You notice they were not worrying very much about inflation so long as they had the gold.

Subsequently in August 1914 the parliament of Canada empowered the minister of finance to create and issue $50 million worth of notes with 25 cents of gold behind each one dollar bill. Later $16 million were issued backed by a deposit of railway securities guaranteed by the dominion government; also $10 million were issued without any particular backing and spent "for governmental purposes".

There is a case where they did not take the money they got from the taxpayer—There you are Conservatives!—do not allow yourselves to be fooled by writers in the *Financial Post.* (See the report at page 22.) In 1917 $50 million were issued, secured by imperial treasury bills—see the report, page 22—and spent for horses, grain, and other needs for world war I. So there was a time when Conservative governments had wisdom in this country, and we hope that time has come again.

The Finance Act of 1914 made provision for the Canadian government to issue dominion notes backed by approved securities, including dominion bonds, certain railway, provincial and municipal bonds and certain other securities subject to appraisal by the dominion treasury board. See report to which I have referred, page 22. That report is in the House of Commons library and I suggest it be read with care by everyone who bears the heavy responsibility which lies on the shoulders of all members of this house. Paragraph 49 of that report reads thus:

> A proclamation in pursuance of the act was issued on September 3, 1914, and thenceforth throughout the war and the early postwar period extensive use was made of the act.

Notice that word "extensive". Paragraph 50 reads:

> An act passed in 1919 provided for the continuance in force of the proclamation made on September 3, 1914 until two years after the conclusion of peace on termination of the war.
> This explains the continued operation of the act until 1923.

From paragraph 51 I quote:

> But extensive use continued to be made of the power to issue dominion notes to the banks against approved securities . . .

So well did the act function that the hon. W. S. Fielding, a Liberal finance minister, in 1923 re-introduced the Finance Act of 1914 as the Finance Act of 1923, using the following words, and I read from the report:

> The act was adopted as a war measure, and no doubt it was exceedingly useful in the financial operations during the war. It may be said that the war being over we no longer have any need for the act, but experience has shown that the act is still required; indeed, I am inclined to think that something of the kind will have to become almost a permanent part of our financial system.

Mr. Speaker, so do I think that; I agree with hon. W. S. Fielding. The potentialities of the Finance Act of 1914 and of 1923 are

outlined by the royal commission on banking and currency in Canada in paragraphs 135-38 inclusive. At page 40 of this report, published in 1933, may I read:

> In normal times the Minister of Finance may make advances of dominion notes to the chartered banks and to those to which the Quebec Savings Bank Act applies upon the pledge of:
> (a) Treasury bills, bonds, debentures or stocks of the Dominion of Canada, Great Britain, any province of Canada, and of any British possession.

It is an unchallengeable fact that every Canadian finance minister from 1923 down to the passage of the Bank of Canada Act of 1934 possessed the power to create in normal times Canadian dollars backed by approved securities, and advance those dollars to Canadian chartered banks. It is uncontestably true that between the outbreak of world war I in 1914 and the end of 1917 the then Canadian finance minister, who was Sir Thomas White, issued and placed in circulation in Canada $76 million in Canadian notes with no Canadian backing except that of the credit of Canada, that is, with no backing but Canadian goods and services and Canada's ability to produce more goods and services and to deliver such goods and services as required, when required and where required. This I have shown by reference to paragraph 47 on page 22 of the report.

It is true that under the finance acts of 1914 and 1923, the backing of Canadian notes was to be securities of a particular and specified kind as listed in paragraph 135 on page 40 of the report. One class of this kind is given in paragraph 135 as "treasury bills, bonds, debentures or stocks of the Dominion of Canada." I am quoting that again so as to help the editor of the *Financial Post* to get it.

Any quantity of Canadian bonds could easily be created. What was to be the limit of the amount of Canadian bonds which could safely be created? That is the thing we want to know. That limit, basically, must be Canada's credit, her real credit; that is, her ability to produce or to acquire and to deliver goods and services. What was the backing of the made-beaver money? Goods and services. What was the backing of the French playing card money? Goods and services. What was the backing of the Guernsey island notes? Goods and services.

We have in Canada goods and services today. No one will argue about that. We have goods and services of sufficient variety and quantity. Dominion notes of 25 cents, $1, $2, $500 and $1,000 were legal tender which of course means, as everyone in this house knows, that when a person tendered a note of one of these denominations in settlement of a debt the person to whom he offered it was obliged to accept it or to cancel the debt. See paragraph 133 of the report. For a time after world war I the holder of a dominion note could call for gold—

An hon. Member: Hear, hear.

Mr. Blackmore: But the gold redemption clause was suspended in April 1933. Hear, hear—did you get that?—"by order in council."

Now it could be said for the purpose of illustration that Social Crediters have advocated, and still advocate, that within well defined limits—note that expression—dominion dollars, either paper or credit, should be issued by the finance minister and by him held available to be employed for helping people to buy whatever needed goods and services might be found in excess in the nation's inventories; excess, not because the consumers could not or would not consume the goods, if they could afford them, but because the consumers lack the money with which to buy. And if today we had in force in Canada the finance acts of 1914 and 1923, then issuance of such notes as I have referred to for the purpose of illustration would constitute a use of the finance acts of 1914 and 1923. Yet the Social Crediters have been called crack pots! Go to Sir Thomas White's ghost and see what he would say. To all intents and purposes it is exactly similar to the $16 million backed by railway securities and the $10 million issued backed only by the credit of Canada.

Mr. Speaker: Order. Perhaps the hon. member would find this a convenient place at which to stop.

On motion of Mr. Blackmore the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Green: We will continue with this debate tomorrow.

At ten o'clock the house adjourned, without question but, 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:

HUNGARIAN REFUGEES

Question No. 84—**Mr. Mandziuk:**

1. How many Hungarian refugees were returned to Hungary at their own request?
2. How many of these declared themselves to be avowed communists?
3. How many Hungarian refugees are unemployed?
4. How many of these are receiving assistance from the dominion government?

Answer by: **Hon. E. D. Fulton (Acting Minister of Citizenship and Immigration):**

1. 64.
2. Nil.
3. 2,359.
4. 2,359.

CAUSEWAY CONSTRUCTION, P.E.I.-N.B.

Question No. 123—**Mr. Macquarrie:**

1. What investigations have been made by the Department of Public Works to determine the feasibility of constructing a causeway across the Northumberland strait between Prince Edward Island and New Brunswick?
2. What have been the findings of such investigations respecting: (a) the estimated cost of the project; (b) the time likely to be required for construction of such a causeway?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. The Department of Public Works has undertaken a drilling program to examine the type of rock which could be obtained from Cape Tormentine close to the existing ferry terminal. A second investigation has been made to determine the cost of providing the present ferry transportation between Borden, P.E.I., and Cape Tormentine, N.B.

2. The department is not in a position as yet to make any definite announcement with regard to the result of these investigations.

PUBLIC BUILDING TENDERS, PLESSISVILLE, QUE.

Question No. 129—**Mr. Lafontaine:**

1. When tenders were called for the construction of a public building at Plessisville, Quebec, how many contractors asked the public works department for plans and specifications of the said building, in making the required deposit, as specified in the notice calling for tenders?
2. What are the names and addresses of such contractors?

Answer by: **Mr. Hodgson, Parliamentary Assistant, for the Minister of Public Works:**

1. Eleven general contractors and seven subcontractors or suppliers.

2. Laflamme & Lafleur, Thetford Mines, Que., (General contractor); Mr. Victor Tardif, 610 Chateauguay, Quebec, P.Q.; Canadian Structural Steel Works Co. Ltd., 3700 St. Joseph Blvd. E., Montreal, P.Q.; Canadian Pittsburgh Industries Ltd., 1285 St. Vallier W., Quebec, P.Q., W. A. Rankin Ltd., 410 Bank St., Ottawa, Ont.; Dominion Structural Steel Ltd., 6894 Clanranald Ave., Montreal, P.Q.; Poudrier & Boulet Ltd., 325-24th Street, Quebec, P.Q., (General contractor); A. Deslauriers & Fils Ltée, 268 Lalemant, Quebec, P.Q., (General contractor); Raymond Hardware Ltd., 658 Craig St. West, Montreal, P.Q.; Freres Jobin Inc., 925 Ste. Therese, Quebec, P.Q., (General contractor); S. Savoie Ltée, Plessisville, Que., (General contractor); Mr. George L. Lennon, Inverness, Que., (General contractor); Mr. L. P. Paré, Plessisville, Que., (General contractor); Bergerville Estates Ltd., Quebec, Que., (General contractor); Wm. Lavallée Construction Ltd., Sherbrooke, Que., (General contractor); Alsco Products of Canada Ltd., 191 Ashtonbee Road, Scarborough, Ont.; R. E. Stewart Construction Corporation, 862 Wellington St., Sherbrooke, Que., (General contractor); Eugène Marcoux, Sherbrooke, Que., (General contractor).

END OF VOLUME I